
Gloucester Housing Production Plan

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Executive Summary

The City of Gloucester engaged the Metropolitan Area Planning Council (MAPC) to develop a Housing Production Plan. MAPC began work in November 2015, engaging with the Gloucester Community Development Department Director, Daniel Smith (and former Director Tom Daniel), his staff, the Planning Board, and the City Council to produce this plan and in so doing, it gives Gloucester an opportunity to achieve its housing production goals. Strategies referenced herein aim to address gaps in the current housing options by diversifying the city's housing stock, preserve existing affordability and increase the housing stock accessible to low- and moderate-income households.

This plan is a continuation of the City's work towards creating policies and programs to promote additional housing, both affordable and market rate, to serve the needs of the community. In 2013, the Community Development Department conducted a Downtown Work Plan, with action items that included an evaluation for additional housing units in the Downtown neighborhoods. That evaluation was completed as part of *Reimagining Railroad Avenue*, a Transit Oriented Development (TOD) study with a focus on the neighborhood surrounding the downtown commuter rail station. The study included a Downtown Market Analysis that identified the need to produce additional housing units more suitable to the changing demographics of the community, which included multi-family housing units within walkable proximity to downtown amenities. In 2015 the City completed its Consolidated Plan which stated that the shortage of affordable housing stock in Gloucester is the most critical problem for the City's low-income population. This Housing Production Plan is a continuation of the findings of previous reports and studies and provides an implementation strategies to produce more housing in Gloucester, both affordable and market rate in the appropriate locations.

As part of the planning process, a public forum was held in January of 2016. There, the community learned about unmet housing needs and current housing demand in Gloucester and its surrounding municipalities. A second forum was held in October 2016 during which the strategies were discussed and prioritized, and potential sites appropriate for housing development were identified. The results of the forums are summarized in the Affordable Housing Goals section of this plan.

Key findings from the comprehensive housing needs and demand assessment are summarized below.

Housing Needs and Demand Assessment

MAPC projects that between 2010 and 2030 Gloucester's population will decline and the number of households will increase. As a result, housing production will be needed. This assessment addresses the housing need and demand by age, income, household type, and household size. Overall, Gloucester's population is projected to age, with the share of householders aged 60 years and older growing from 38% of total householders in 2010 to 58% of householders in 2030. As Gloucester's share of seniors grows, the City will need to consider options for changing housing preferences among that cohort, as well of younger householders entering the market. MAPC projects that Gloucester will need 434 new multifamily units and 192 new single family units between 2010 and 2020. In addition to considerations on type of units, Gloucester will need to meet affordability needs in the City. According to the U.S. Census Bureau, 2 out of 5 Gloucester households are cost-burdened, meaning they spend more than 30% of their income on housing, and 1 in 5 spend more than 50% on housing. Currently 7.2% of Gloucester's housing is included in the Subsidized Housing Inventory, which is short of the 10% statutory minimum.

Goals and Strategies for Affordable Housing Production

Goal 1: Create opportunities to develop a diverse and affordable housing stock to meet the needs of a changing demographic profile in the city.

Goal 2: Encourage affordable housing development to achieve and maintain the Chapter 40B 10% goal.

Goal 3: Develop strategies to ensure that existing affordable housing units are preserved for long-term affordability.

Goal 4: Identify sites that are most appropriate to accommodate Gloucester's needed growth in housing.

Goal 5: Review and revise the Zoning Ordinance to remove barriers and create more incentives toward the production of affordable housing in appropriate locations.

Goal 6: Leverage existing funding sources to meet existing and future housing needs.

Goal 7: Minimize the displacement of lower-income households.

Goal 8: Promote safe, healthy housing and living.

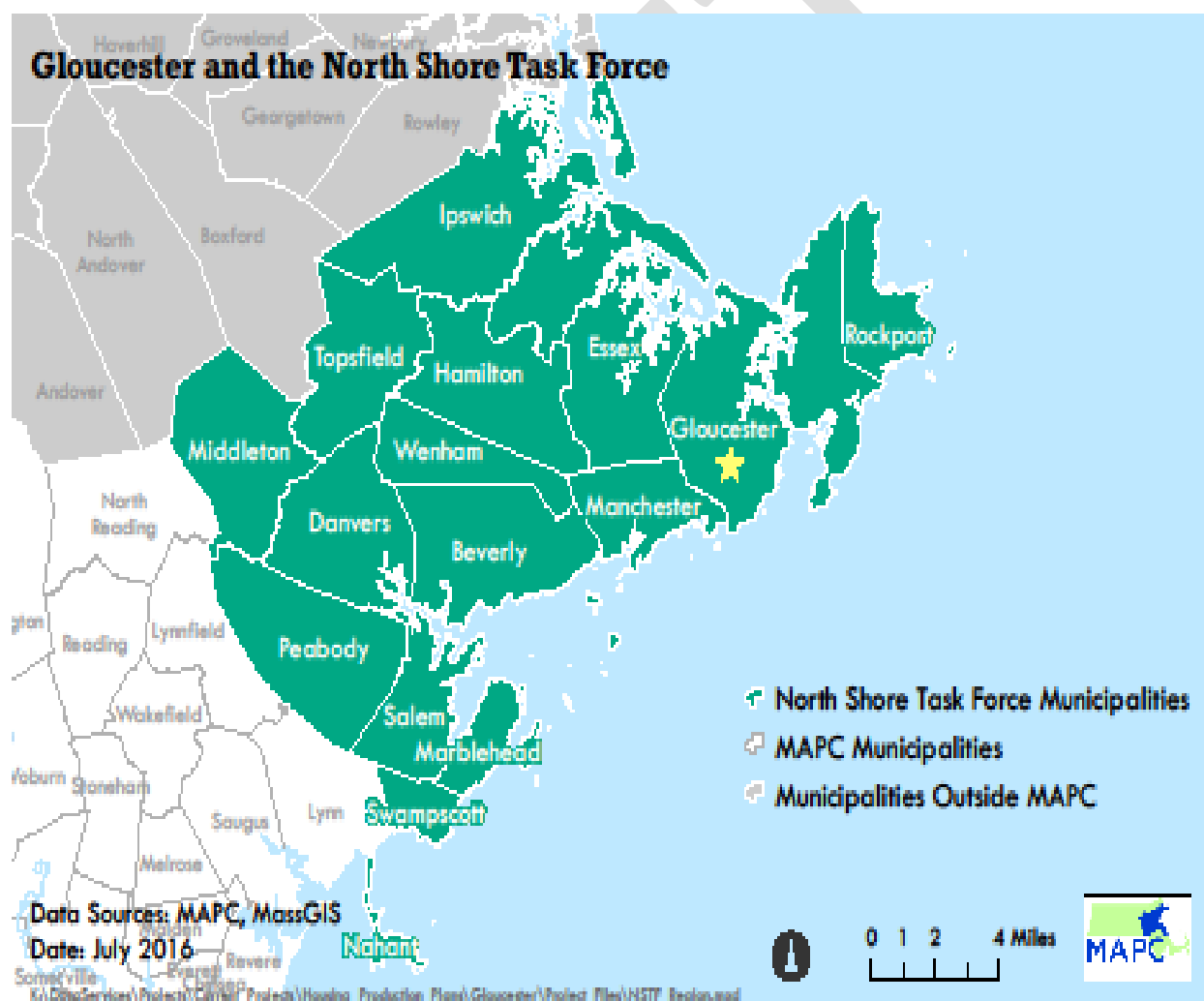
Goal 9: Ensure that the city is affirmatively furthering fair housing obligations.

Goal 10. Ensure that staffing and commissions have capacity to implement HPP.

Introduction

Located within the North Shore Task Force subregion (see Figure 1),¹ the City of Gloucester is categorized as a Regional Urban Center under MAPC's classification system. These municipalities are characterized by an urban-scale downtown core surrounded by residential neighborhoods with a mix of housing. In Regional Urban Centers, new growth often takes the form of redevelopment in downtown or industrial areas, and greenfield development on the periphery. Because a community's housing needs depend on both its community type and its regional context, throughout this report MAPC compares Gloucester to surrounding and nearby municipalities that are part of the North Shore Task Force subregion, including Salem, Peabody, Rockport, and Beverly. Gloucester and most of the North Shore Task Force municipalities comprise a portion of the North Shore HOME Consortium membership.

Figure 1: Context Map: North Shore Task Force Municipalities



¹ This is one of MAPC's eight sub-regions and also includes Beverly, Danvers, Essex, Ipswich, Hamilton, Manchester-by-the-Sea, Marblehead, Middleton, Nahant, Peabody, Rockport, Salem, Swampscott, Topsfield and Wenham.

Housing Production Plan Regulatory Context

This Housing Production Plan (HPP) for Gloucester was developed with input from the City of Gloucester Community Development Department, the Affordable Housing Trust, the Gloucester Housing Authority, the City Council, local community non-profits, developers, and the general public. The planning process included a public forum to share findings on housing needs and agree on housing goals, and a second public forum to discuss strategies to achieve those goals and to identify locations for potential housing development.

This plan was prepared to comply with the Massachusetts Department of Housing and Community Development's (DHCD) regulation 760 CMR 56.03(4), and to position Gloucester to work towards compliance under M.G.L. Chapter 40B. This legislation encourages municipalities to achieve at least 10% of their total year-round housing units on the Subsidized Housing Inventory (SHI) in compliance with the statutory standard. Until that threshold is met, developers of 40B housing where at least 20-25% of units have long-term affordability restrictions can receive approval of a Comprehensive Permit from the local Zoning Board of Appeals even if the project is not in compliance with the underlying zoning.

For municipalities that are under the 10% threshold, a DHCD-approved HPP gives the municipality more control over Comprehensive Permit applications for a specified period of time if they make steady progress in producing affordable housing on an annual basis in accordance with the HPP. Municipalities with approved HPPs may request DHCD certification of their compliance with the plan if either their annual affordable housing production rate is 0.5% or for two years if the rate is 1%. In a municipality with a DHCD-certified HPP, a decision of a Zoning Board of Appeals (ZBA) to deny or approve pending certain conditions a Comprehensive Permit application will be deemed "consistent with local needs" pursuant to Chapter 40B. Based on past practices, such decisions will often be upheld by the Housing Appeals Committee (HAC). This control allows municipalities to manage growth and meet their affordable housing needs in accordance with the community's vision and Plan.

Once the HPP is certified, if the Gloucester Zoning Board of Appeals finds that a denial of a permit or the imposition of certain conditions is consistent with local needs, then it must take the following steps. Within 15 days of the opening of the local hearing for the Comprehensive Permit, the Board shall provide written notice to the applicant, with a copy to DHCD, stating that it considers a denial of the permit or the imposition of conditions consistent with local needs, the grounds that it believes have been met, and the factual basis for that position, including any necessary supportive documentation.

If the applicant wishes to challenge the Board's assertion, it must do so by providing written notice to DHCD, with a copy to the Board, within 15 days of its receipt of the Board's notice, including any documentation to support its position. DHCD will then review the materials provided by both parties and issue a decision within 30 days. The Board shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent with local needs, provided, however, that any failure of DHCD to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.

For purposes of this subsection 760 CMR 56.03(8), the total number of SHI Eligible Housing units in a municipality as of the date of a project's application shall be deemed to include those in any prior project for which a Comprehensive Permit had been issued by the Board or by the Committee, and which was at the time of the

application for the second project subject to legal appeal by a party other than the Board, subject however to the time limit for counting such units set forth at 760 CMR 56.03(2)(c).

If either the Board or the applicant wishes to appeal a decision issued by DHCD pursuant to 760 CMR 56.03(8)(a), including one resulting from failure of the DHCD to issue a timely decision, that party shall file an interlocutory appeal with the Committee on an expedited basis, pursuant to 760 CMR 56.05(9)(c) and 56.06(7)(e)(11), within 20 days of its receipt of the decision, with a copy to the other party and to the DHCD. The Board's hearing of the project shall thereupon be stayed until the conclusion of the appeal, at which time the Board's hearing shall proceed in accordance with 760 CMR 56.05. Any appeal to the courts of the Committee's ruling shall not be taken until after the Board has completed its hearing and the Committee has rendered a decision on any subsequent appeal.

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Comprehensive Housing Needs Assessment

An analysis of local demographic data and housing stock reveals key characteristics and trends in Gloucester that help explain housing need and demand. In order to understand how the City compares to its neighbors, Gloucester data is compared to surrounding municipalities within the North Shore Task Force and the North Shore HOME Consortium (which includes 30 cities and towns in the area) and the Commonwealth. Ultimately, this section provides the framework for the housing production goals and strategies to address local housing concerns included later in this document.

MAPC projects that between 2010 and 2030 Gloucester's population will decline and the number of households will increase. As a result, housing production will be needed. This assessment addresses the housing need and demand by age, income, household type, and household size. Overall, Gloucester's population is projected to age, with the share of householders aged 60 years and older growing from 38% of total householders in 2010 to 58% of householders in 2030. As Gloucester's share of seniors grows, the City will need to consider options for changing housing preferences among that cohort, as well of younger householders entering the market. MAPC projects that Gloucester will need 434 new multifamily units and 192 new single family units between 2010 and 2020. In addition to considerations on type of units, Gloucester will need to meet affordability needs in the City. According to the U.S. Census Bureau, 2 out of 5 Gloucester households are cost-burdened, meaning they spend more than 30% of their income on housing, and 1 in 5 spend more than 50% on housing. Currently 7.2% of Gloucester's housing is included in the Subsidized Housing Inventory, which is short of the 10% statutory minimum.

Demographics

This Housing Production Plan is grounded in a thorough examination of Gloucester's population and household characteristics. This includes recent and projected population changes, population by age, race and ethnicity, educational attainment, income, household size and composition, and homeownership and rental rates. Projections of the City's future residential composition are also used to inform housing planning efforts.

Population Characteristics

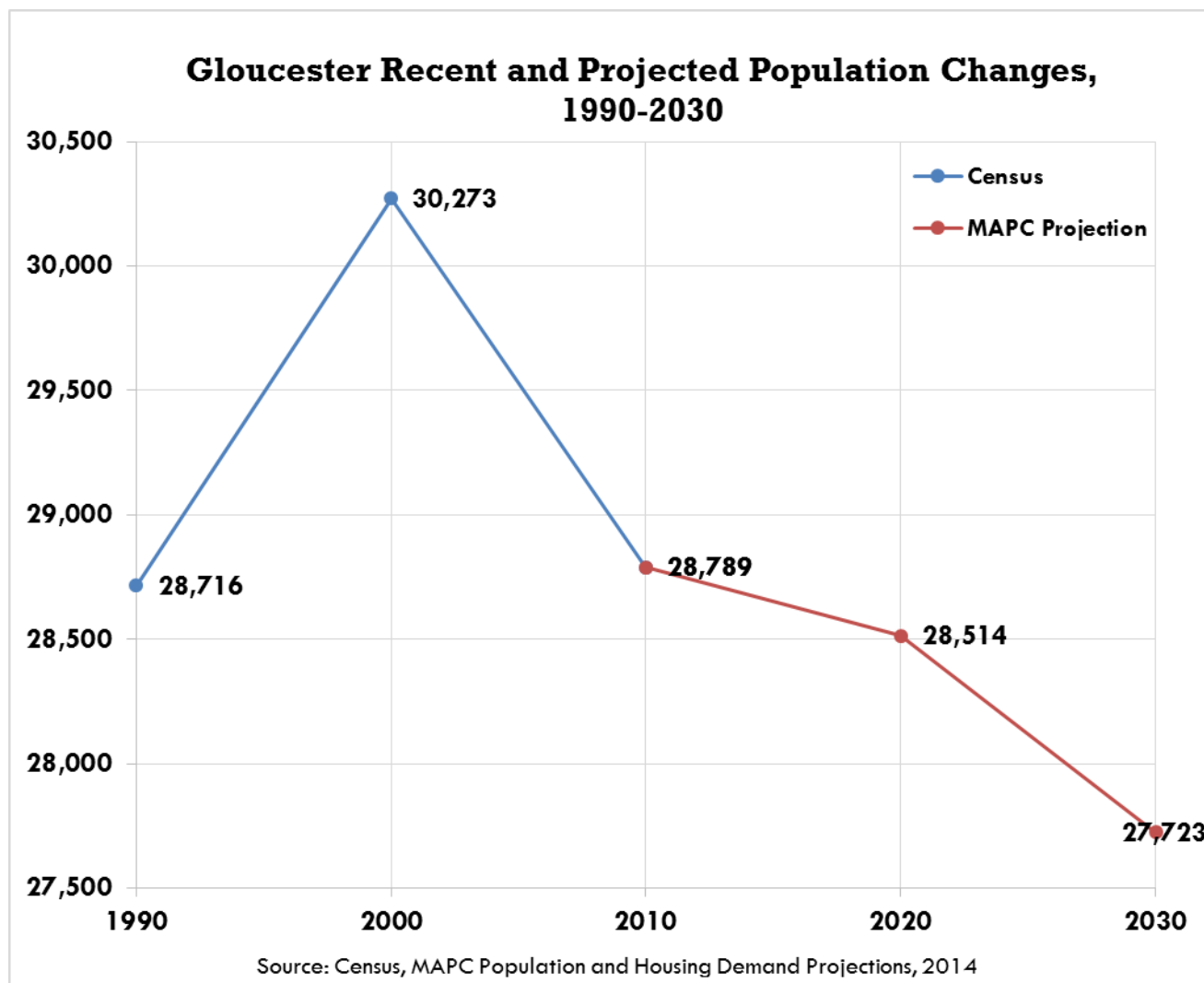
MAPC prepared population and housing demand projections for 164 cities and towns within the Greater Boston region. Both sets of projections include two scenarios: a Status Quo scenario based on continuation of recent trends in migration, housing occupancy, and location preference; and a Stronger Region scenario that assumes increased attraction and retention of young workers and slightly increased preference for urban settings and multi-family housing. The Status Quo scenario found that continuation of current levels of in-migration and housing production would lead to a declining workforce and economic stagnation over the coming decades. In contrast, the increased migration rates of the Stronger Region scenario could fuel a job growth increase of 7% between 2010 and 2030. As a result, MAPC recommends use of the Stronger Region scenario as the basis for housing planning.

Recent and Projected Population Changes, 2000-2030

Population data for Gloucester shows that population increased during the 1990s and decreased during the 2000s. In 1990, the City's population was 28,716, which increased by 5% in 2000 to 30,273. In 2010, the City lost about 5% of its population, resulting in a population only slightly higher than its 1990 population at 28,789 residents. This rise and fall of the City's total population count could be impacted somewhat by seasonal changes

in housing occupancy, although decennial Census population figures are based on a complete count of a place's population as of April 1 of that year. MAPC's *Metro Boston Population and Housing Demand Projections*, most recently updated in 2014, project an overall loss of 4% in Gloucester's population between 2010 and 2030 under the "Stronger Region" scenario (see Figure 2). These projections take into account how changing trends in birth, deaths, migration, and housing occupancy might result in population changes and housing demand.

Figure 2: Gloucester Recent and Projected Population Changes, 1990-2030



Population by Age, 1990-2030

According to the American Community Survey 5-year Estimates for 2010-2014, Gloucester's median age was about 47.2, considerably higher than the state median at 39.3.² This means Gloucester's population is generally older than the population of most municipalities in Massachusetts due to significant increases for those 50 years of age and older since 1990 along with a significant decrease in the 20-29 age group. Only about a fifth of Massachusetts cities and towns have a higher median age.

The whole region is aging, as the largest segment of the population – those born 1945-1970 – gets older. For Gloucester, in 2010, 26% of the population was over age 60. By 2030, those born 1945-1970 will be over

² ACS 5-Year Estimates 2010-2014

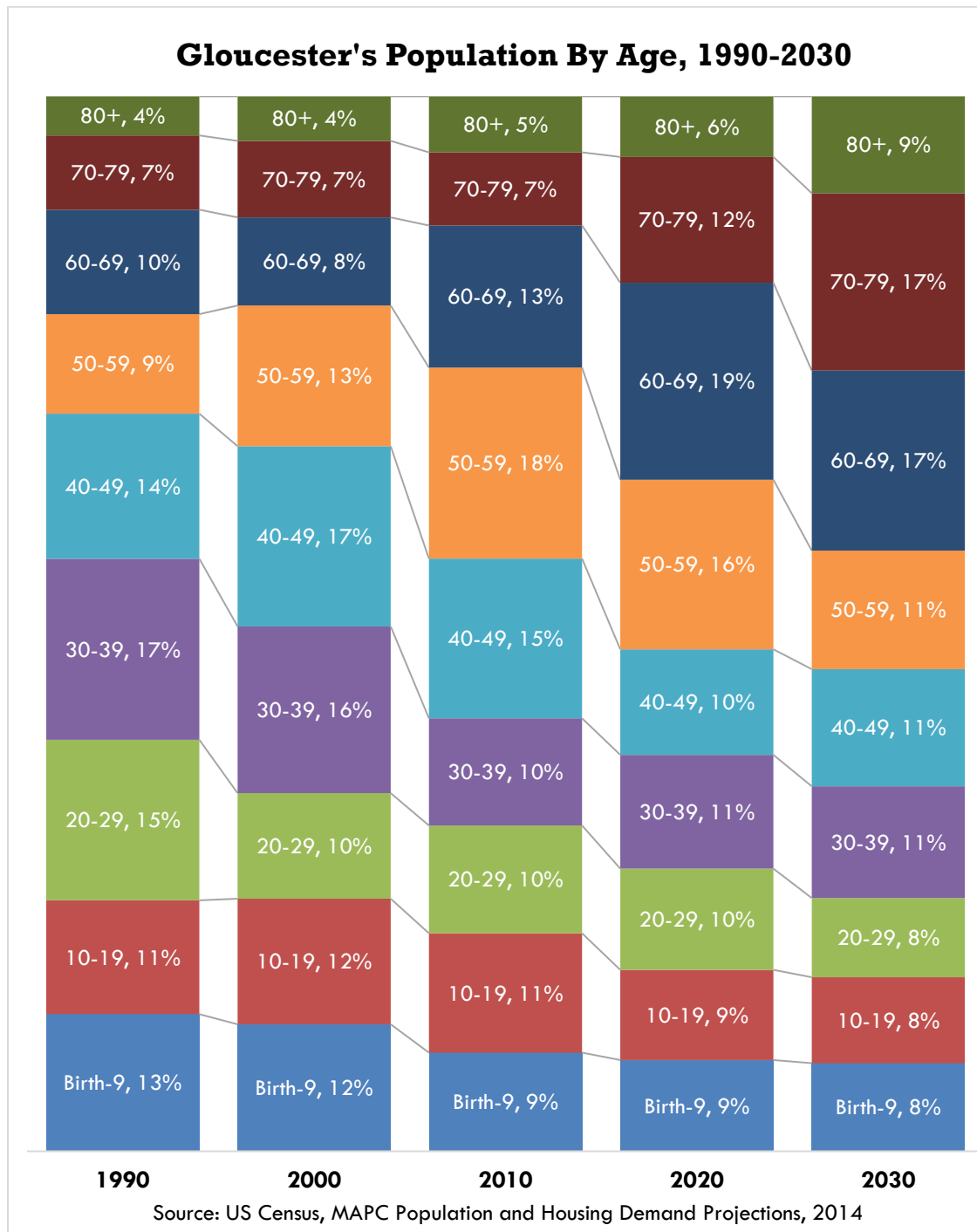
age 60 and will make up 43% of the City's population, although the most significant increase will be for those over the age of 70 (born before 1945) as baby boomers age into their senior years (see Figures 3 and 4). It will be important for the City to address the needs of the aging population in order to ensure that adequate public health and social services are provided. Moreover, the City will have to plan for meeting the transportation needs of its elderly population. Additionally, all age groups younger than 40 years of age are also projected to decrease between 2010 and 2030. While there are a number of reasons that these trends are so prevalent, younger adults tend to move away (usually because of job opportunities and the cost of housing) and have fewer children later in life. Regional and national demographic trends indicate that the number of middle-aged adults and school-age children will generally decline and this holds true for Gloucester based on the MAPC projections.

Figure 3: Population by Age, 1990-2030³

	1990	2000	2010	2020	2030
Birth-9	3,732	3,645	2,691	2,465	2,315
10-19	3,097	3,603	3,257	2,439	2,259
20-29	4,372	3,028	2,943	2,735	2,082
30-39	4,929	4,784	2,924	3,076	2,937
40-49	3,948	5,174	4,361	2,851	3,077
50-59	2,711	4,036	5,209	4,587	3,115
60-69	2,841	2,527	3,879	5,322	4,734
70-79	2,021	2,196	1,998	3,399	4,659
80+	1,065	1,280	1,527	1,640	2,546
	28,716	30,273	28,789	28,514	27,724

³ US Census and Metro Boston Population and Housing Demand Projections, MAPC 2014

Figure 4: Gloucester's Population by Age, 1990-2030



Race and Ethnicity

In 2010, 94% of Gloucester's population was White (Non-Hispanic White Alone). About 3% of the City's population was Hispanic or Latino, and people of other races and ethnicities made up the remaining 3% of the City's population. Gloucester has significantly fewer people of color as a proportion of its total population as compared with the state as a whole, which was 76% White in 2010, and is slightly less diverse than the rest of

the North Shore Task Force, which was about 90% White in 2010. The City has become slightly more diverse; in 2000, 96% of the population was White.⁴

Educational Attainment

According to the American Community Survey 5-year Estimates for 2010-2014 for Gloucester, about 11% of the City's population age 25 and older has less than a high school education, 29% have a high school diploma, 18% have some college, 9% have an Associate's Degree, and 33% or one in three have a Bachelor's Degree or Higher level of education.

Educational attainment in Gloucester is slightly lower than in Massachusetts and the North Shore Task Force as a whole. About 40% of the state's residents and 43% of North Shore Task Force residents have a Bachelor's Degree or higher.⁵

Household Income

Household income is an important determinant of how much a household can afford to pay to rent or own their dwelling unit and whether that household is eligible for housing assistance.

The median household income for Gloucester was about \$60,229 \pm \$3,072 (margin of error) in 2014, slightly higher than Salem's median household income, which was estimated at \$59,044 \pm \$2,811 in 2014, and lower than the other member municipalities of the North Shore Task Force.⁶

For the purposes of the Needs Assessment and estimating housing cost burden, the 2015 median income estimate for Boston-Cambridge-Quincy, MA-NH Housing and Urban Development (HUD) Metro Fair Market Rent Area is used, which is \$98,500.⁷ The HUD median income estimate is calculated based on a much larger geographic area, and it is notable that \$98,500 is more than 60% higher than the median income among Gloucester residents (see Figure 5). This disparity will be accounted for in the analysis of housing affordability in Gloucester.

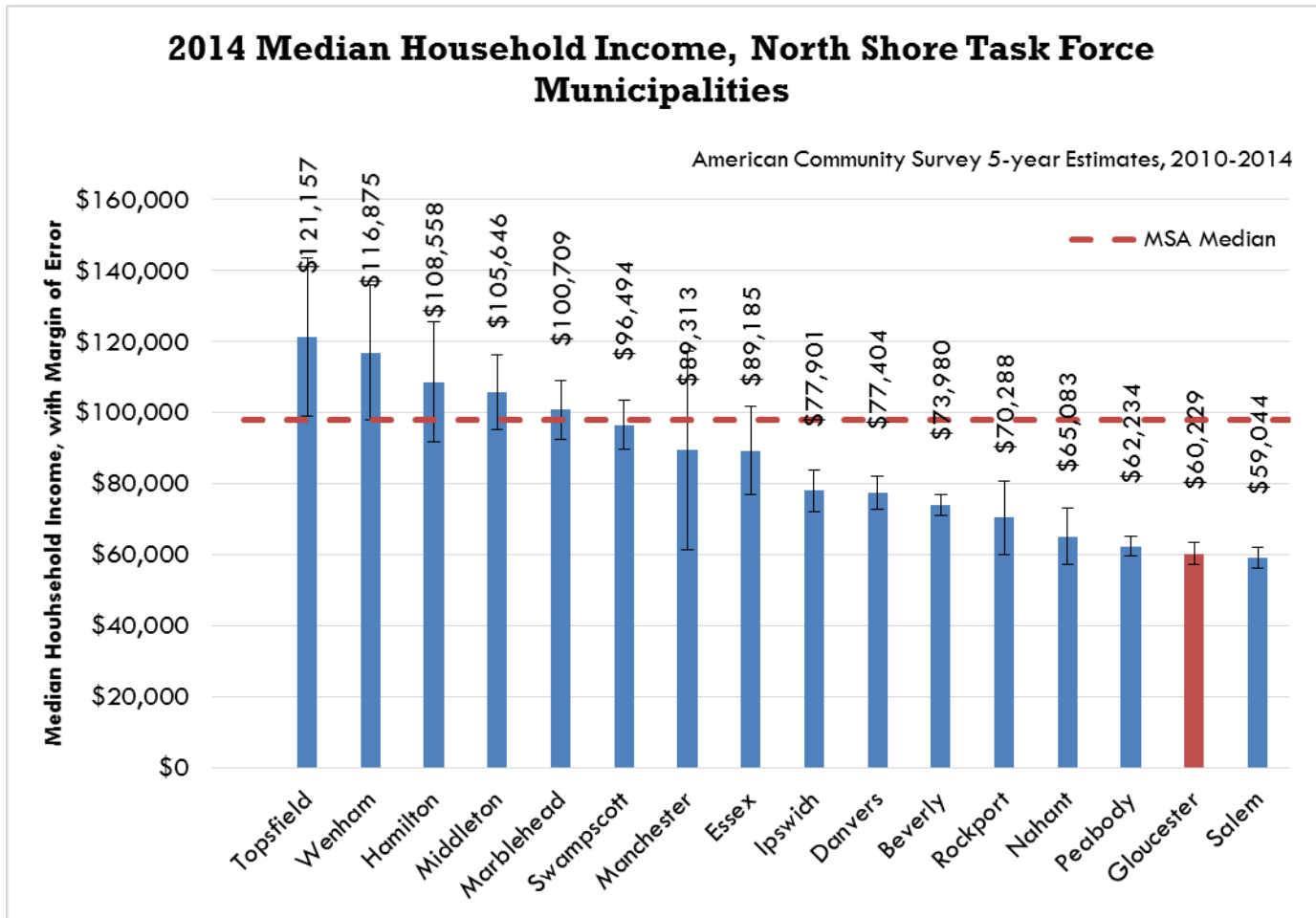
⁴ US Census 2000, 2010

⁵ ACS 5-Year Estimates 2010-2014, MAPC Tabular Data Browser

⁶ Median Household Income estimates shown in Figure for the municipalities of Topsfield, Wenham, Hamilton, and Rockport should be used with caution. The estimate for Manchester is excluded because the coefficient of variation is unreliable.

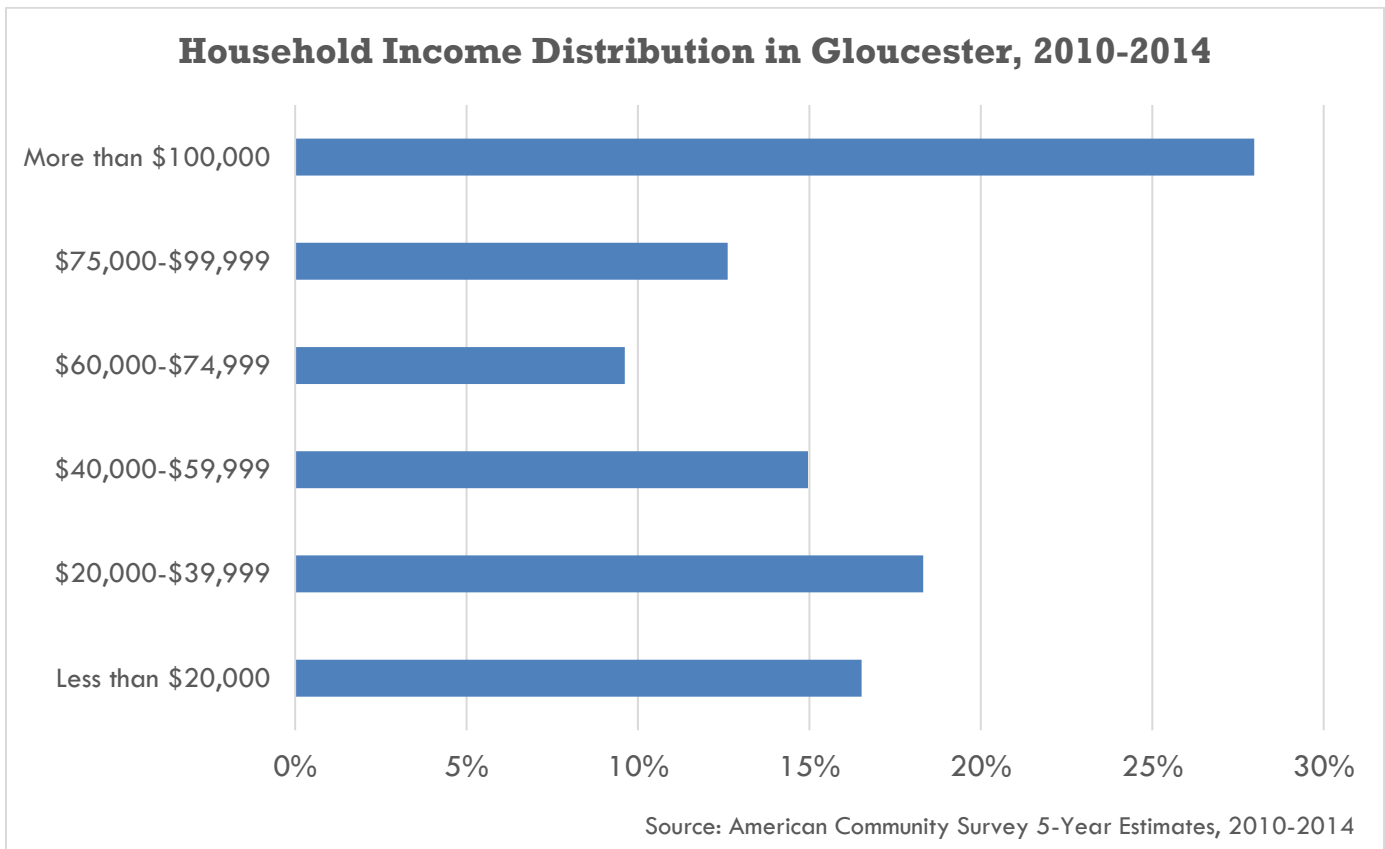
⁷ <https://www.huduser.gov/portal/datasets/il/il2015/2015summary.odn>

Figure 5: North Shore Task Force 2014 Median Household Income



Gloucester's income distribution by age illustrates some important trends that will impact housing policies and strategies to meet critical needs. Household income distribution in Gloucester is shown in Figure 6 below. Approximately 17% of the City's households earn less than \$20,000 a year, and an additional 18% earn between \$20,000 and \$39,999. About 28% of the households in Gloucester have an income that exceeds \$100,000.

Figure 6: Gloucester Household Income Distribution

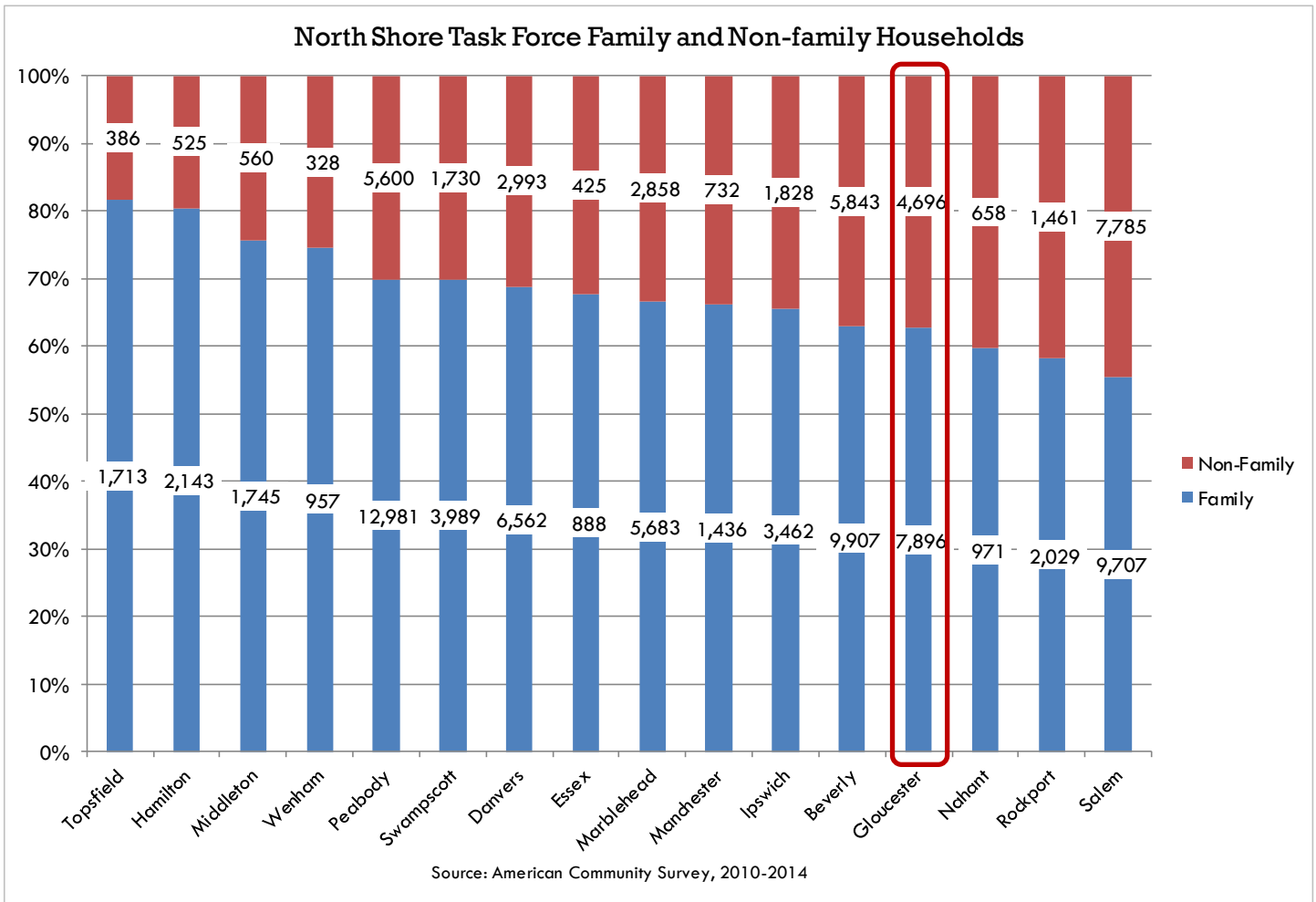


Household Characteristics

More than population, the number and type of households (and their spending power) within a municipality correlate to unit demand; each household resides in one dwelling unit, regardless of the number of household members. Different household types typically have different housing needs or preferences. For example, a married couple with children requires a larger dwelling unit than a single person. Empty nesters and elderly households may want to downsize from a large single-family home that requires maintenance. Younger people may want a small unit to live in or one with several bedrooms so that they can live with roommates. A municipality's composition of household types can indicate how well suited the existing housing inventory is to residents.

As of 2010, there were 12,486 occupied housing units in Gloucester with an average household size of 2.27 people per household. According to 2014 estimates, about 63% of Gloucester's households were family households and 37% were non-family households. The US Census Bureau defines family households as those with "a householder and one or more other people related to the householder by birth, marriage, or adoption." Non-family households include people who live alone as well as households with two or more unrelated individuals. In Gloucester, the majority of non-family households are individuals living alone; they comprise an estimated 31% of the total households. The average family household size in Gloucester in 2010 was 2.9 people.

Figure 7: North Shore Task Force Family and Non-family Households

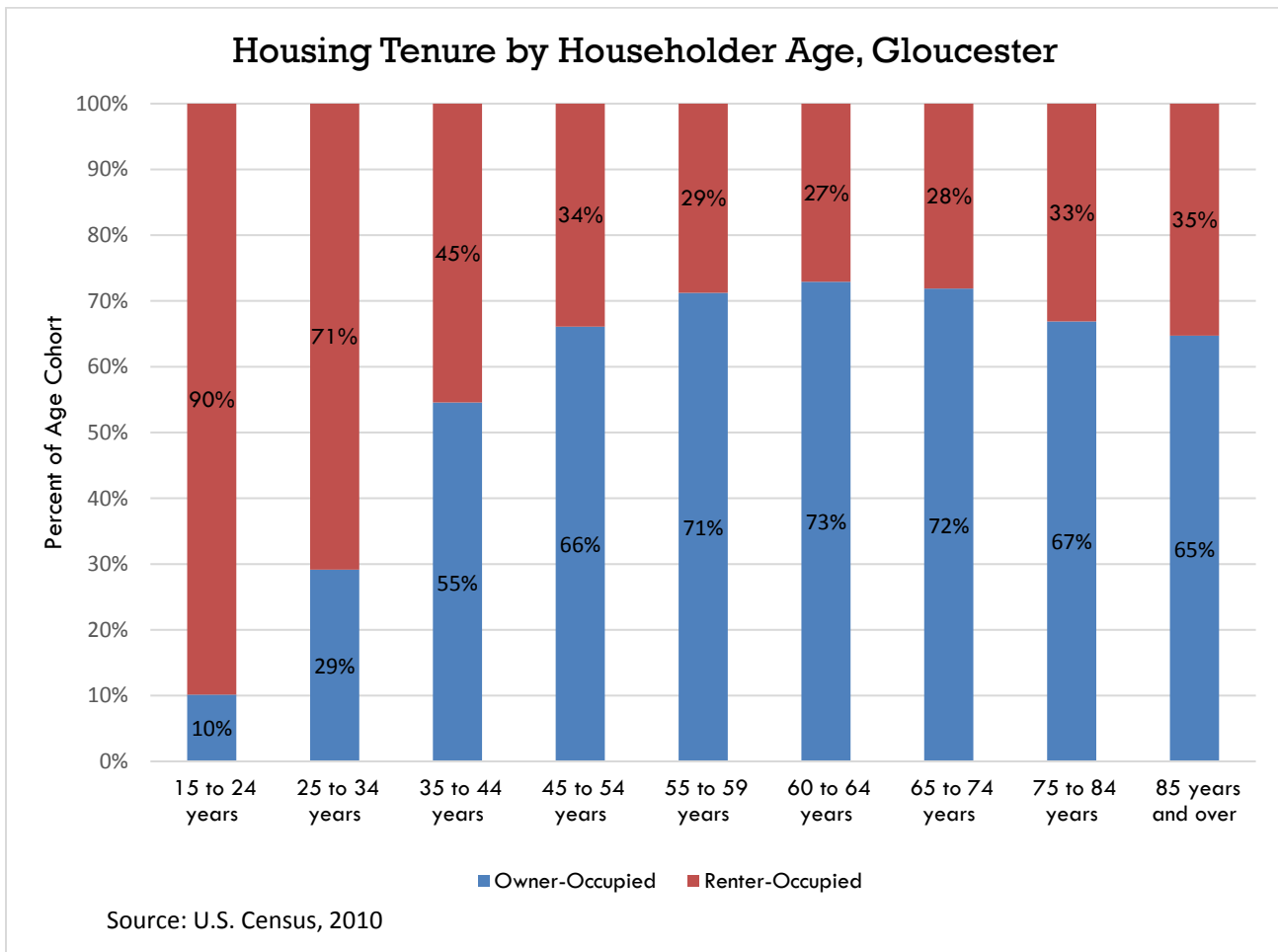


Tenure

In 2010, 62% of the households in Gloucester were living in owner-occupied homes and 38% were housed in renter-occupied homes. The average size of owner-occupied households was 2.47 and the average size of renter-occupied households was 1.94. The proportion of ownership versus rental was similar to Massachusetts as a whole, but household sizes for all types of households were lower in Gloucester than for the state. Homeownership in the North Shore Task Force cities and towns combined is somewhat higher than for Gloucester, with about 66% owner-occupied households and household sizes slightly larger than those for Gloucester, but still lower than those for the state.

As shown in Figure 7 approximately 63% of all households are families and 37% are considered to be non-family. By comparison, the percentage of families among the North Shore Task Force municipalities range from a low of 55% in Salem to over 80% in Topsfield. Generally, home ownership increases as the age of the householder increases, although those rates decline for householders over 75 years of age (see Figure 8). Of the 62% of the owner-occupied homes in Gloucester, most of them (about 2/3 or 43% of the total) are owned by people between the ages of 45 and 74. The highest percentages of renters are the younger age cohorts (15-34 years old) and those over 85 years of age.

Figure 8: Housing Tenure by Age of Householder, Gloucester



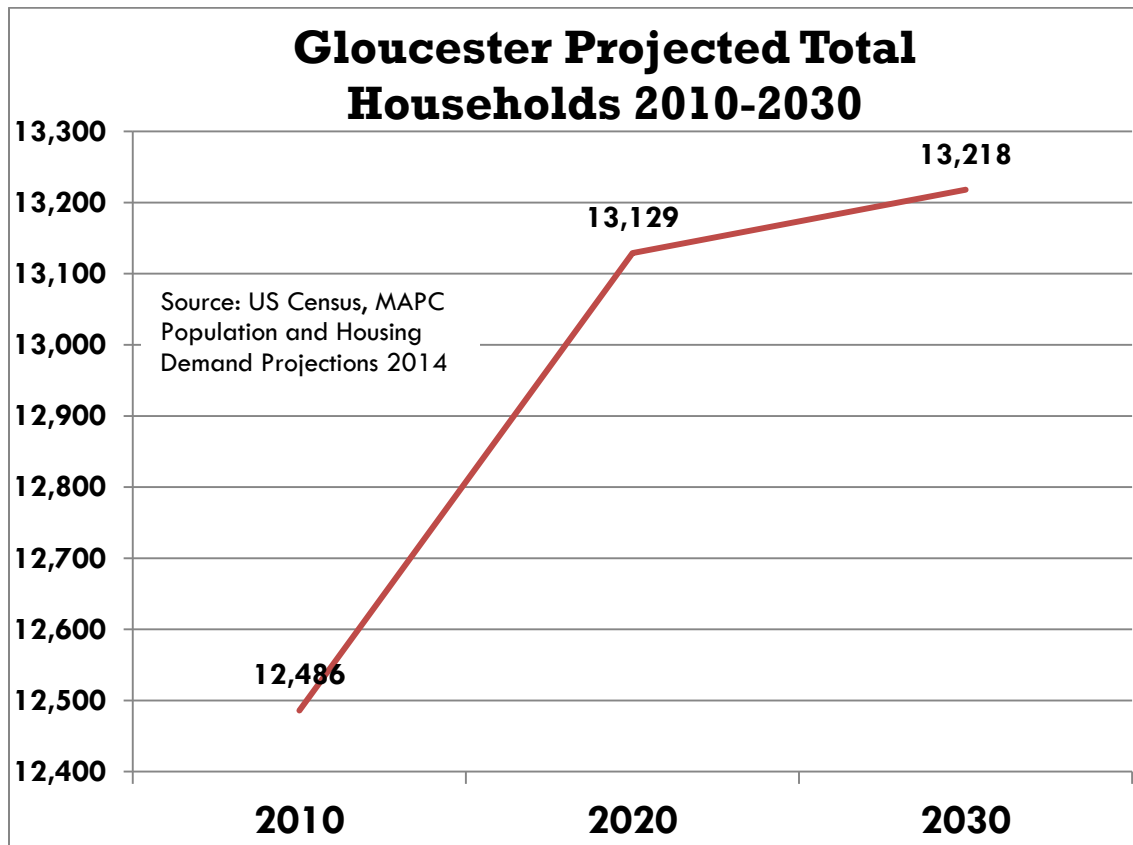
As would be expected, renters moved from one place to another more often than home owners – an estimated 97% of homeowners were in the same house after one year while only 76% of renters remained in the same house.⁸ Overall, 90% of Gloucester householders remained in the same house from one year ago.

Household Projections

As shown in Figure 9, the number of households is projected to increase in the coming years, even as the population is expected to decrease. This is because household size is expected to continue to decrease. Under the Stronger Region Scenario, MAPC projects the average household size in Gloucester will decrease from 2.27 as measured in Census 2010 to 2.13 people per household in 2020 and to 2.05 people per household in 2030.

⁸ American Community Survey 5-Year Estimates, 2010-2014

Figure 9: Gloucester Projected Total Households, 2010-2030



The proportion of householders over age 60 is expected to increase from 38% of the total households in Gloucester in 2010 to 58% of the total households in 2030. This is a significant increase which has a number of ramifications including preferences for aging in the community, transportation options, the provision of health and social services, and maintaining healthy life styles. At the same time, heads of households aged 60 and under are expected to decrease by 2030. See Figure 10 and 11 below.

Figure 10: Proportion of Households by Age of Householder, 2010-2030

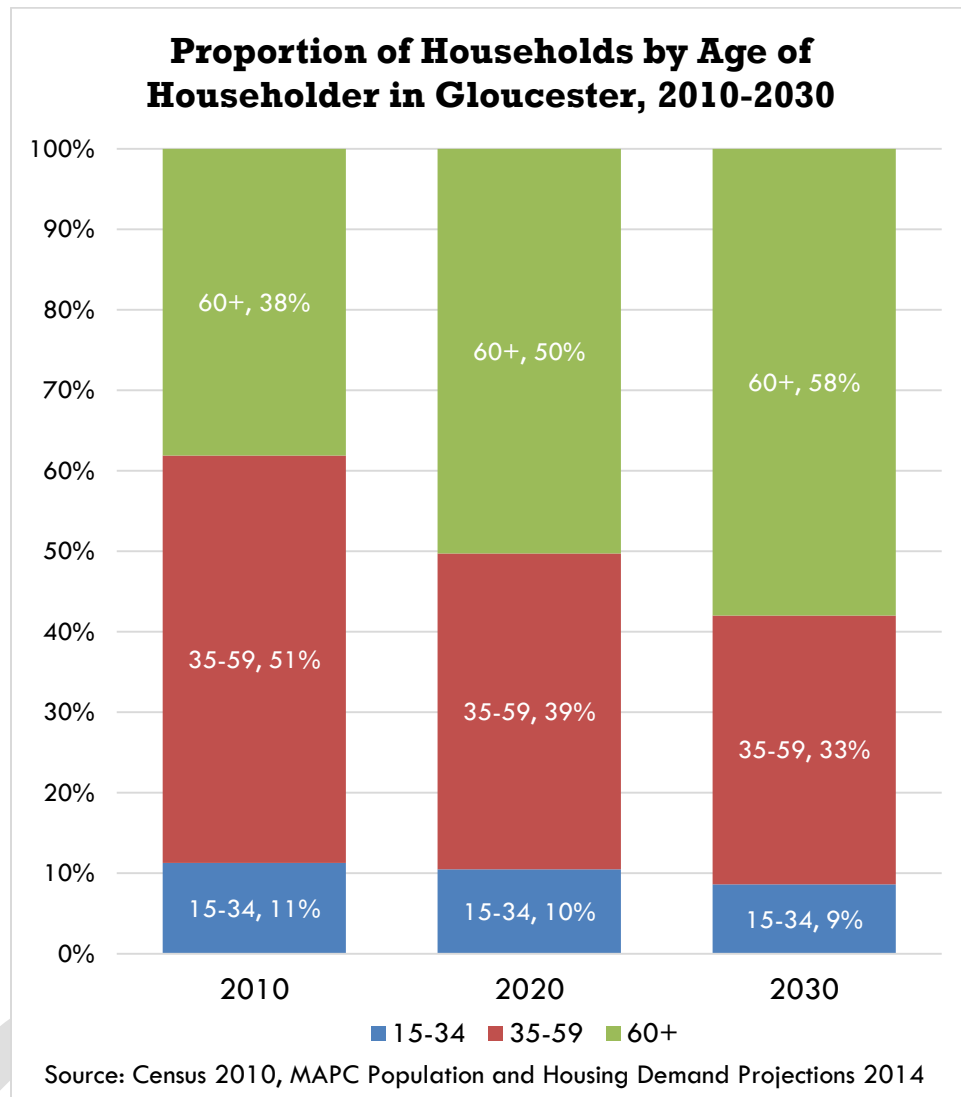


Figure 11: Householder by Age in Gloucester, 2010-2030⁹

Age Cohort	2010	2020	2030
15-19	142	94	78
20-24	124	107	67
25-29	603	576	438
30-34	539	600	555
35-39	850	855	837
40-44	1021	708	803
45-49	1397	886	912
50-54	1508	1173	852
55-59	1543	1529	1011
60-64	1436	1698	1342
65-69	1016	1649	1649
70-74	688	1363	1631
75-79	643	860	1426
80-84	538	449	903
85+	438	581	715
	12,486	13,128	13,219

Housing Stock

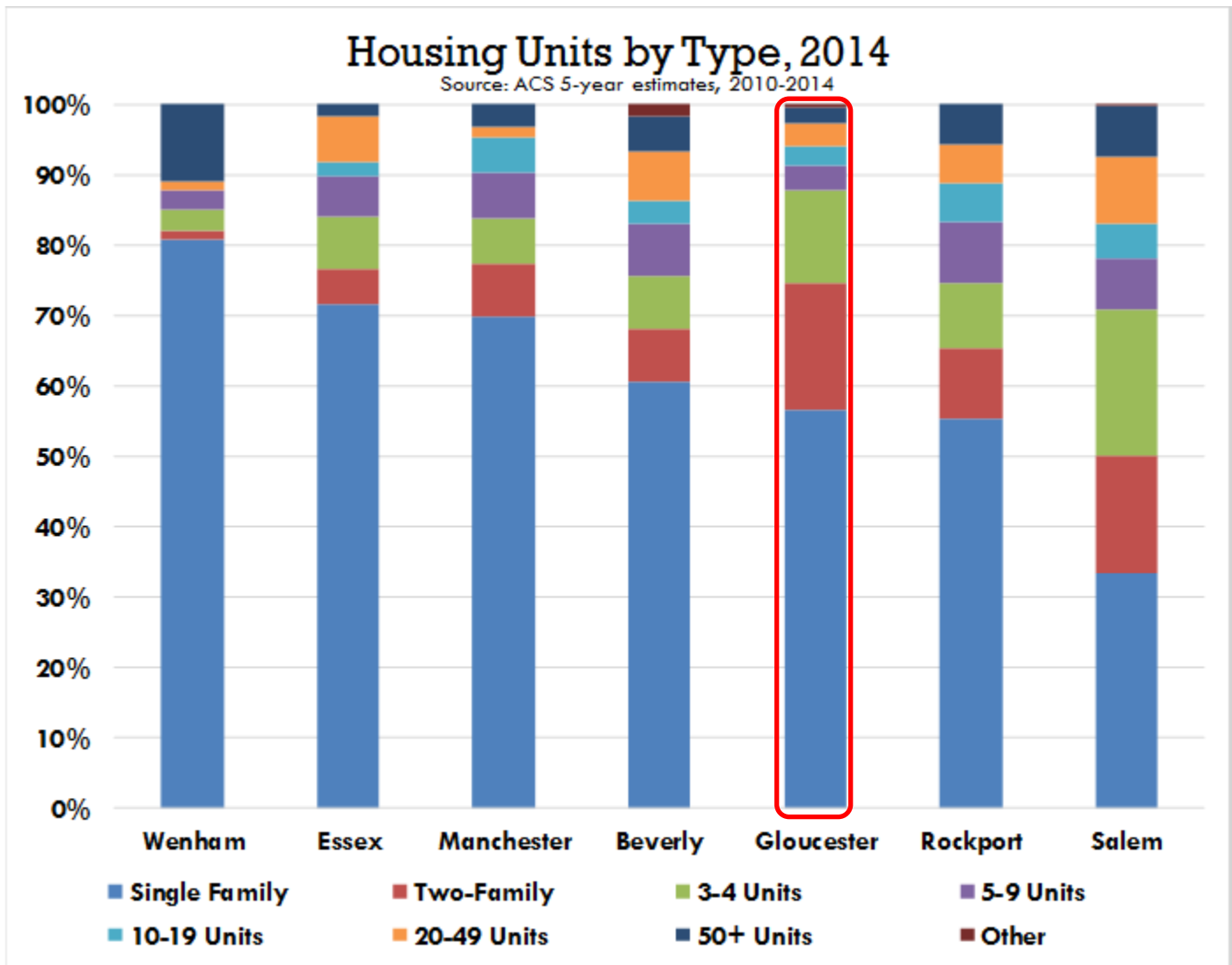
The following section examines Gloucester's current housing supply and how it has changed over time. Understanding housing type, age, tenure, vacancy, and recent and planned development will contribute to an understanding of current need and demand in Gloucester and thereby help inform future housing production planning.

Unit Type

Gloucester has a more varied housing stock than nearby North Shore municipalities such as Wenham, Essex, and Manchester, but not as varied as Rockport or Salem (see Figure 12). The majority of homes in Gloucester, 57%, are single-family homes. About a third of the homes are in two, three, or four unit structures; 18% in two-family homes and 13% in 3-4 unit homes. Gloucester has more two-, three-, and four-family units as a proportion of the total than most other North Shore Task Force municipalities other than Salem. The remaining housing types are distributed among 5-9 unit structures (3%), 10-19 unit structures (3%), 20-49 unit structures (3%), and structures with more than 50 units (2%). Generally speaking, a diverse housing stock can be seen as advantageous since there would be a variety of housing products available at numerous price points.

⁹ US Census, *Metro Boston Population and Housing Demand Projections*, MAPC 2014

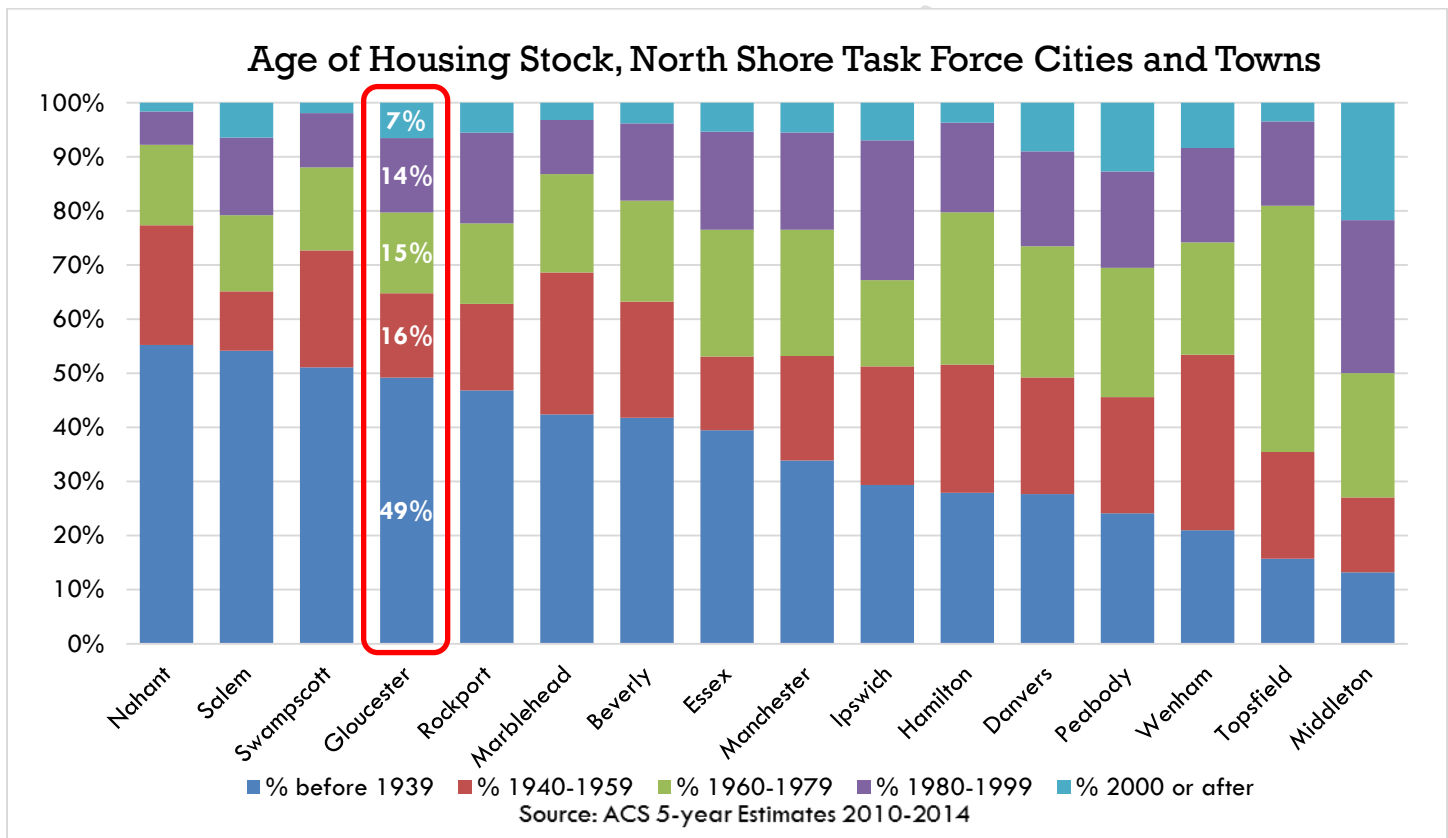
Figure 12: Housing Units by Type



Age of Housing Stock

Figure 13 illustrates that about half of Gloucester's housing stock was built before 1939. Only three municipalities within the North Shore Task Force have more homes that were built before 1939. This is significant because the amount of housing built prior to this date in a given municipality contributes to its eligibility for federal and state Community Development Block Grant Program (CDBG) and HOME Investment Partnerships Program funding. An older housing stock raises issues regarding preservation from both a historical/architectural point of view, but also in terms of maintaining or enhancing the physical condition of the home.

Figure 13: Age of Housing Stock, North Shore Task Force



Tenure and Vacancy

In 2010, there were a total of 14,557 housing units, with 13,270 year-round housing units and 1,287 seasonal units. As mentioned earlier, there were 12,486 occupied housing units in Gloucester in 2010, of which 7,745 or 62% were owner-occupied, and 4,741 or 38% were renter-occupied. Additionally, there were 2,071 vacant housing units, or about 6% of the year-round housing stock. The Massachusetts Department of Housing and Community Development uses year-round housing units for the Subsidized Housing Inventory.

Housing Units Permitted

Between 2010 and 2016, there were 408 housing units permitted in Gloucester of which 41%, or 168 units total, were single family homes and the majority of the remaining units were two-family or conversions from single-family to two-family units. The following table (Figure 14) shows recent, under construction, and planned major

residential development projects in Gloucester as of April 2016, some of which may have been permitted prior to January 2010.¹⁰

Figure 14: Recent Major Multi-unit Developments and Projects in the Pipeline

Name of Development & Description	Status	# of housing units	Bedrooms	% Affordable	Parking
Village at West Gloucester	Completed 2012	34 units in two-family structures	2 bdr	0	68
Residences at Seaport, multifamily above retail	Completed 2013	10 multifamily units	2&3 bdr	0	20
The Village at Magnolia Shores	Under construction	50% complete out of 46 permitted duplex units	2 bdr	0	96
Brierneck Crossing, application denied by ZBA in 2005. Denial overturned by HAC in 2008; City lost appeal at Supreme Judicial Court in 2011 and developer received 40B comprehensive permit. In coastal zone at edge of Good Harbor salt marsh. Building Dept. granted final permit in 2014.	Under Construction	12 townhouse units	2 & 3 bdr	25%	24
Gloucester Crossing, assisted living residence	Permitted	80 assisted living units		20%	
Riverdale Place, originally permitted in 2002 but due to appeals road construction did not begin until 2009.	Completed	14 single family		0	28
Cape Ann Forge	Under construction	10 units (5 duplexes)	3 bdr	15%	20

¹⁰ MAPC Development Database, MAPC Analysis, conversations with City of Gloucester

206 Main Street (Harbor Village)	Permitting	30 units / mixed use	1,2 & 3 bdr	100%	60
Fuller Site	Permitting	200 units /mixed use	1 & 2 bdr	tbd	tbd

Housing Affordability

Poverty and Public Assistance

According to American Community Survey (ACS) 5-year Estimates for 2010-2014, about 10% of Gloucester's population is in poverty. About 10% of households are receiving public assistance. About 8% of all Gloucester households are receiving Supplemental Nutrition Assistance Program (SNAP) benefits.

Fair Market Rents

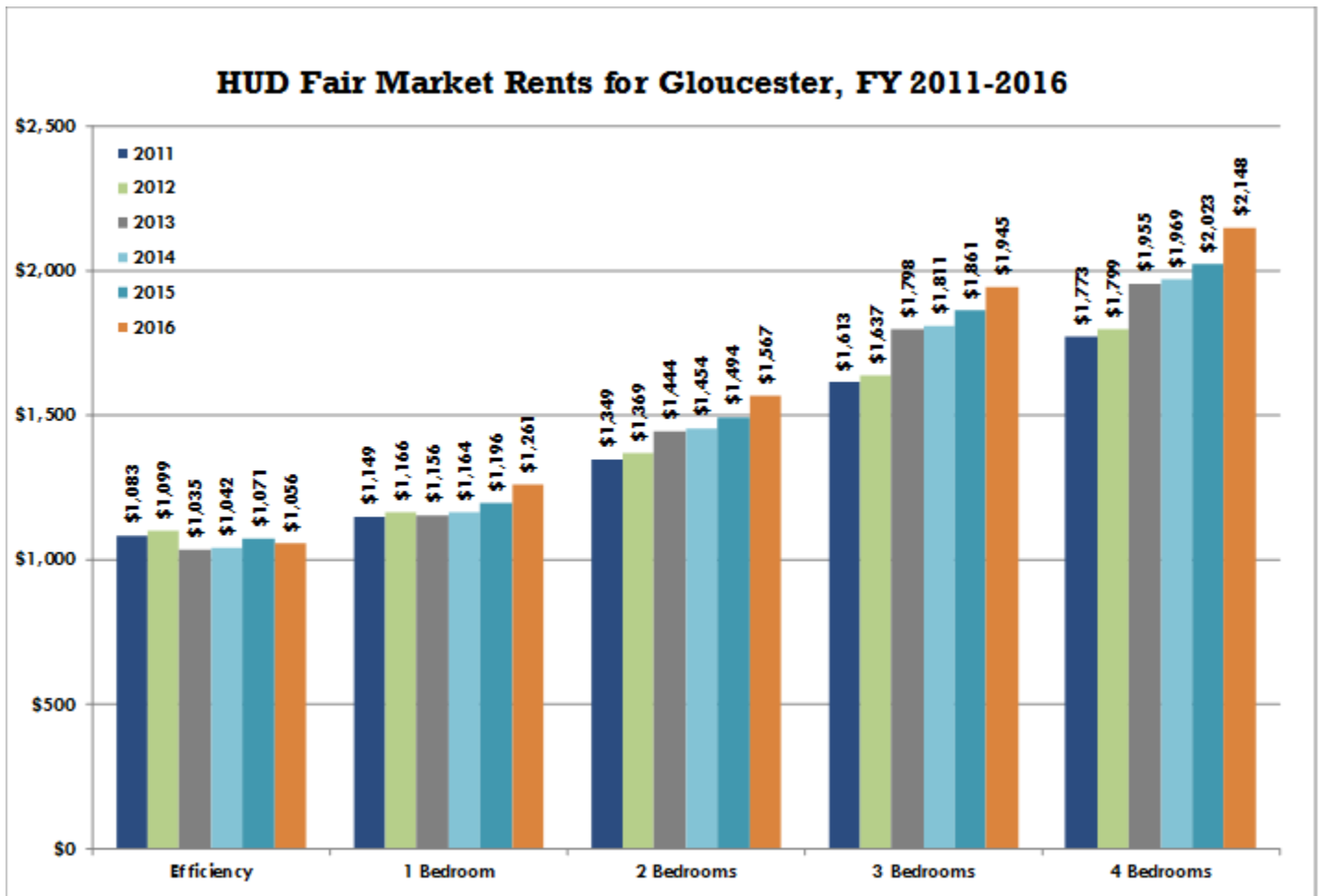
Fair Market Rents, or maximum allowable rents (not including utility and other allowances) determined by HUD for subsidized units in the Boston Metropolitan Statistical Area (MSA). The upward trend reflects the annual adjustment factor intended to account for rental housing market demands. Given the constraints on the Greater Boston rental housing market, rising rent is unsurprising and points to the need for more housing of this tenure at multiple price points. The HUD Fair Market Rents for Gloucester are shown in Figure 15 below and tracked over time in Figure 16. Note that Gloucester is included in the Boston-Cambridge-Quincy, MA-NH HUD Metro Fair Market Rent (FMR) Area. Given that with a median household income of \$60,229 in Gloucester, a household should spend no more than 30% of its income (\$1,506 a month) in housing costs. When compared with fair market rents, a household would exceed that threshold for housing units of two bedrooms or more.

Figure 15: Fair Market Rents, FY 2014-2016

	Efficiency	1 bedroom housing unit	2 bedroom housing unit	3 bedroom housing unit	4 bedroom housing unit
FY 2016 Fair Market Rent Gloucester	\$1,056	\$1,261	\$1,567	\$1,945	\$2,148

Source: HUD Fair Market Rent FY16, MAPC Tabular Data Browser

Figure 16: HUD Fair Market Rents, FY 2011-2016



HUD Income Limits

One measure of affordable housing need is the number of households eligible for housing assistance in a municipality. Federal and state programs use Area Median Income (AMI), along with household size, to identify these households. Figure 17 below shows U.S. Department of Housing and Urban Development (HUD) income limits for extremely-low- (below 30% of AMI), very-low- (30-50% of AMI), and low-income (50-80% of AMI) households by household size for the Boston-Cambridge-Quincy MSA, which includes Gloucester. Typically, households at 80% of AMI and below qualify for housing assistance, though there are some exceptions based on household size and program funding. Because the Gloucester median income is significantly lower than the MSA, the discussion of the local housing market below will address housing costs (rental and home ownership) as it relates to the Gloucester median income rather than the HUD income limits.

Figure 17: Median Income Limits, FY 2016¹¹

FY2016 Income Limit Category	Extremely Low (30%) Income	Very Low (50%) Income	Low (80%) Income
1 Person	\$20,650	\$34,350	\$51,150
2 Person	\$23,600	\$39,250	\$58,450
3 Person	\$26,550	\$44,150	\$65,750
4 Person	\$29,450	\$49,050	\$73,050
5 Person	\$31,850	\$53,000	\$78,900
6 Person	\$34,200	\$56,900	\$84,750
7 Person	\$36,730	\$60,850	\$90,600
8 Person	\$40,890	\$64,750	\$96,450

Housing Market

Housing costs within a municipality reflect numerous factors, including supply and demand. If the latter exceeds the former, then prices and rents tend to rise. Depending on the income levels of the population, these factors can significantly reduce affordability for both existing residents and those seeking to move in.

Median gross rent according to the American Community Survey 5-year estimates 2010-2014 was estimated at \$975. The Median Gross Rent for Massachusetts was estimated at \$1,088 and the median gross rent for Essex County was estimated at \$1,063 for this period. This indicates that median gross rent in Gloucester is somewhat lower than other North Shore Task Force municipalities nearby, as shown in Figure 18, as well as when compared with the state as a whole.¹²

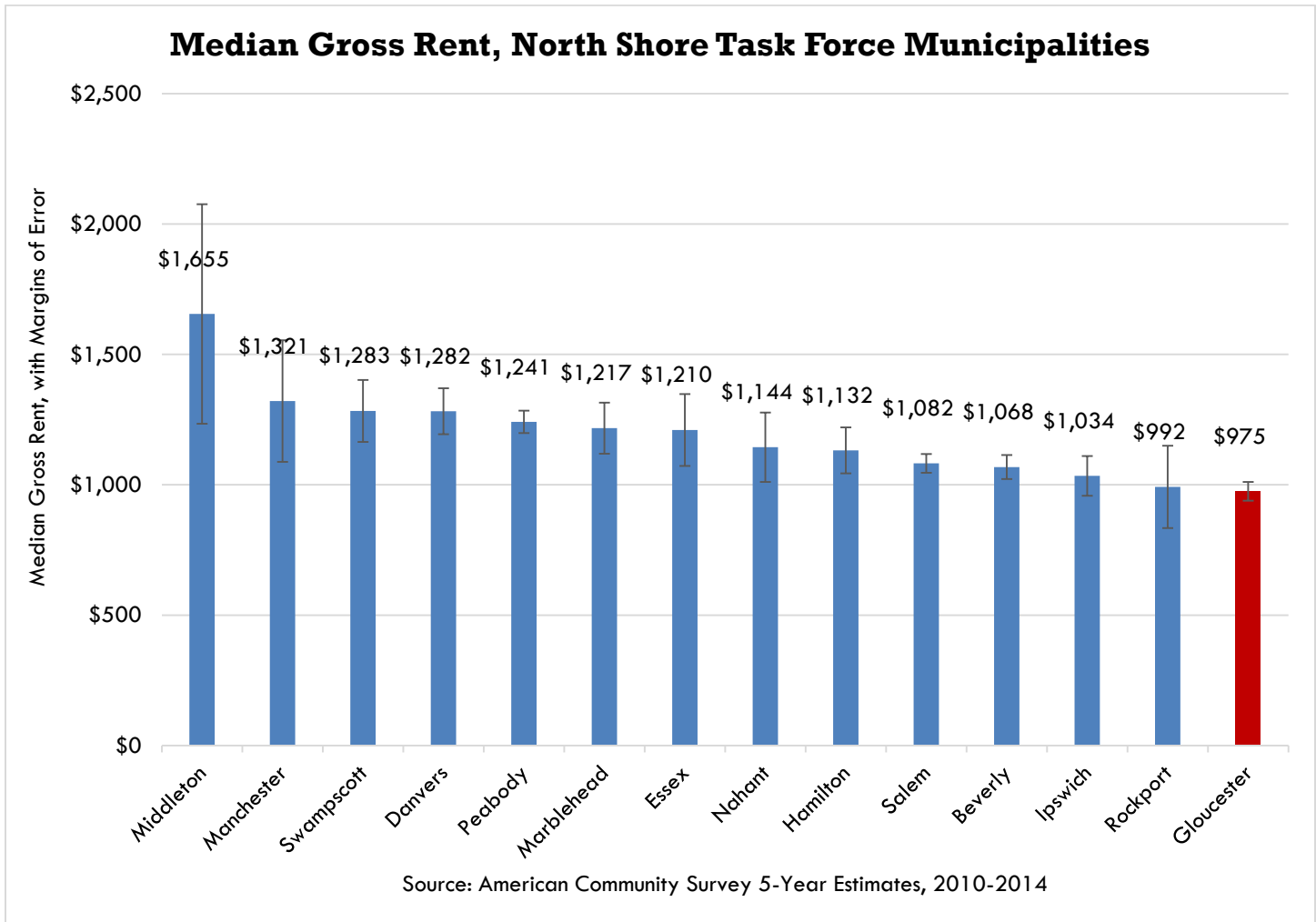
Median Gross Rent estimates cover all housing unit types and sizes and include the cost of utilities, if paid by the renter.¹³ Median Gross Rent provides an indicator of the rents paid within a particular geography, but do not necessarily reflect current market rents, nor do they adjust for seasonal trends.

¹¹ HUD, 2015

¹² The margins of error for the median gross rent estimates for Wenham and Topsfield were too high for a reliable estimate and therefore excluded from the figure. The estimates for Rockport and Middleton should be used with caution.

¹³ U.S. Census Bureau. "Median Gross Rent" https://www.census.gov/quickfacts/meta/long_HSG860214.htm

Figure 18: Median Gross Rent, North Shore Task Force



The MAPC Rental Listings Database provides a snapshot of the current rental market in Gloucester. The MAPC Rental Listings Database collects rental listings from the websites Craigslist and Padmapper.¹⁴ Rental listings collected between November 2015 and May 2016 indicate that the median rent listing price in Gloucester was \$1,369. Over a year, this accounts for over 42% of the median household income for households in renter-occupied units. For one-bedroom units the median rent listing price was \$1,110 and for two-bedrooms the medium listed rent was \$1,413. Three-bedroom units have a median listing price of \$1,622. Figure 19 provides an overview of rent ranges by unit size. Generally, these median rents were at or just below the HUD Fair Market Rents described above. However, a significant number of units remain unaffordable to low- and middle-income households. These estimates are adjusted to 2016 dollars using the consumer price index (CPI) to account for inflation.

¹⁴ This dataset is currently under development. It does not include data on rental units shared by word of mouth, nor does it include the final negotiated monthly rent of online listings.

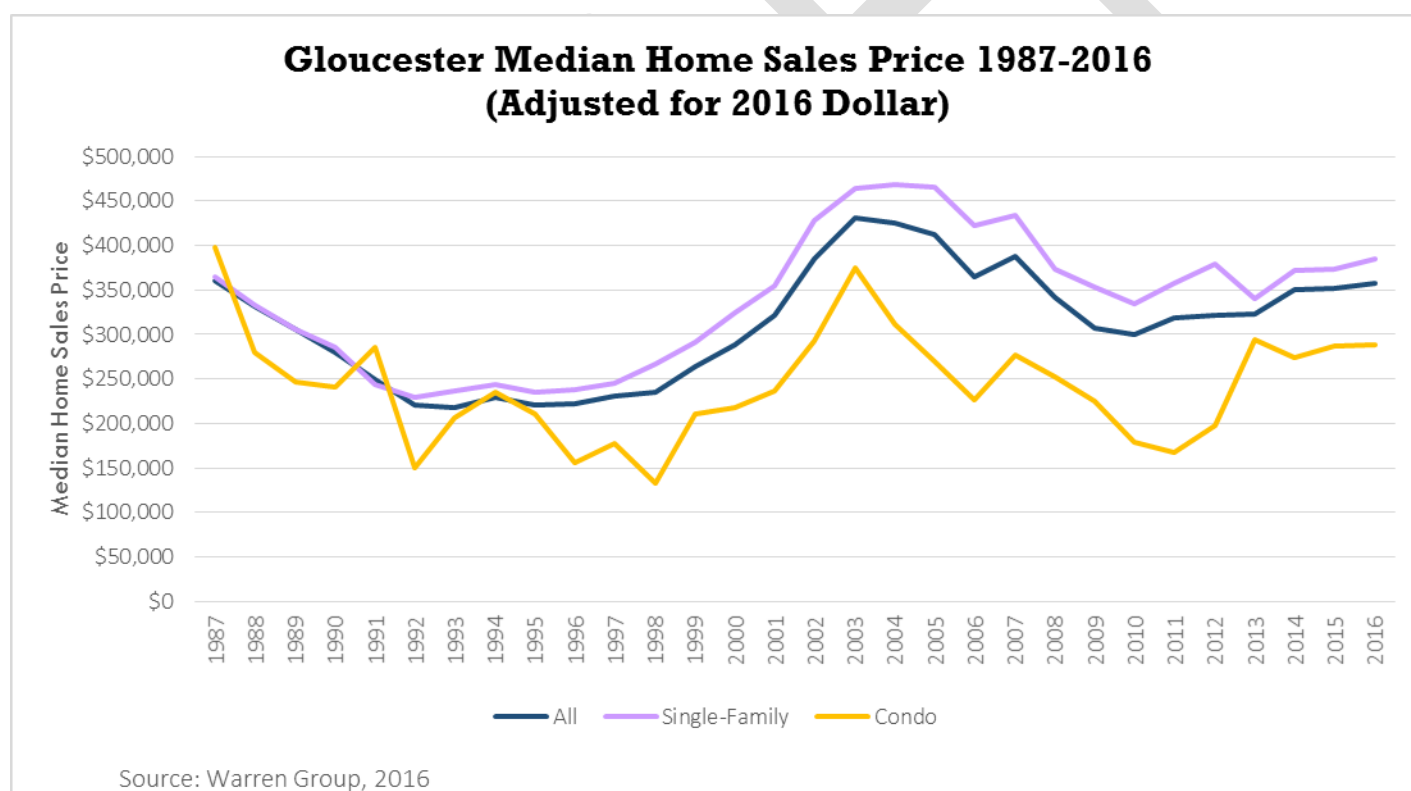
Figure 19: Gloucester Rental Prices, by Unit Size, Nov, 2015-May 2016¹⁵

Number of Bedrooms	Price Range (Adjusted for Consumer Price Index)
0	\$735-\$1,413
1	\$707-\$1,622
2	\$656-\$2,484
3	\$858-\$2,422
4	\$2,900

The median home price in 2016 was about \$385,000 for a single-family home and \$288,750 for a condominium according to figures from the Warren Group in February 2017.

Gloucester housing prices were on the rise during the 1990s, reaching a peak in 2004 with a single-family home median sales price of \$468,252. Housing prices began to fall in 2005 and through the Great Recession (December 2007-June 2009), as shown in Figure 20. Since 2010, however, prices have been on the rise though they have not reached pre-Recession highs.

Figure 20: Gloucester Median Home Sales Price 1987-2016



Current MGL Chapter 40B Subsidized Housing Inventory

Under M.G.L. Chapter 40B, affordable housing units are defined as housing that is developed or operated by a public or private entity and reserved by deed restriction for income-eligible households earning at or below 80% of the Area Medium Income (AMI). Gloucester falls within the Boston-Cambridge-Quincy Metropolitan

¹⁵ MAPC Rental Listings Database, 2016

Statistical Area (MSA), and the AMI according to the MSA is \$98,500. 80% of AMI would be \$78,800. In addition, all marketing and placement efforts follow Affirmative Fair Housing marketing guidelines per the Massachusetts Department of Housing and Community Development (DHCD).

Housing that meets these requirements, if approved by DHCD, is added to the Subsidized Housing Inventory (SHI). Chapter 40B allows developers of low- and moderate-income housing to obtain a comprehensive permit to override local zoning and other restrictions if less than 10% of a municipality's housing is included on the SHI.

As of November 2016, the Department of Housing and Community Development Subsidized Housing Inventory Chapter 40B Subsidized Housing Inventory (SHI) for Gloucester, there were 953 SHI units out of 13,270 total dwelling units per the 2010 Census. This means 7.2% of Gloucester's housing is included in the inventory, which is short of the 1,327 affordable units needed to meet the 10% statutory minimum.

Housing Cost Burden

Another method to determine whether housing is affordable to a municipality's population is to evaluate households' ability to pay their mortgage or rent based on their reported gross household income. Households that spend more than 30% of their gross income on housing are considered to be housing cost burdened, and those that spend more than 50% are considered to be severely cost burdened.

According to the American Community Survey 5-year Estimates for 2010-2014 (Figure 21), about 43% ($\pm 3\%$) of households in Gloucester are cost-burdened. Among owner-occupied households, about 41% are cost-burdened, and among renter-occupied households, about 45% are cost burdened. About 19% of households are paying more than 50% of their income on housing (17% for homeowners and 22% for renters as shown in Figure 22). The rates of cost burden in Gloucester are somewhat higher than for the North Shore Task Force, Essex County, and the state as a whole; though the difference appears to be within the margin of error. In other words, cost burden may be a greater challenge for Gloucester where housing costs are high. For many North Shore Task Force municipalities, more than a third of households are cost burdened, which is an indication that cost burden is high in the subregion as a whole.

Figure 21: Cost-Burdened Households, Gloucester and North Shore Task Force¹⁶ Municipalities

	Percent Cost Burdened	Severely Cost Burdened
Gloucester	43%	19%
Beverly	38%	18%
Danvers	36%	14%
Essex	39%	20%
Hamilton	29%	9%
Ipswich	38%	19%
Manchester	34%	15%
Marblehead	34%	15%
Middleton	33%	15%
Nahant	40%	17%
Peabody	42%	18%
Rockport	40%	14%
Salem	43%	20%
Swampscott	39%	18%
Topsfield	30%	9%
Wenham	33%	13%

Figure 22: Cost Burdened Owner-Occupied and Renter-Occupied Households¹⁷

	Owner-Occupied		Renter-Occupied	
	Cost Burdened	Severely Cost Burdened	Cost Burdened	Severely Cost Burdened
Gloucester	41%	17%	45%	22%

Cost Burden by Type

Comprehensive Housing Affordability Strategy (CHAS) data offers further information on affordable housing need by household type (elderly, small family, large family, and other) and by income level (low, very low, extremely low, and middle income, or those earning between 80-120% of the AMI). Again the 2015 median income estimate for Boston-Cambridge-Quincy, MA-NH Housing and Urban Development (HUD) Metro Fair Market Rent Area is used, which is \$98,500. Household type is determined by the number of persons occupying a unit, family status, and age:

- 62 years and older, family households old + (2 or more related persons, with either or both ages 62 or over)¹⁸
- 62 years and older, non-family households (1 or 2 persons, non-related, ages 62 or over)
- small family households (2 related persons, neither 62 years of age or over, or 3 or 4 related persons)
- large family households (5 or more related persons)
- all other households (singles, non-related living together, neither 62 years of age or over)

¹⁶ ACS 5-Year Estimates, 2010-2014

¹⁷ ACS 5-Year Estimates, 2010-2014

¹⁸ The HUD terminology for households 62 years of age and older is "Elderly Family" and "Elderly Non-Family"

Gloucester households experience a high percentage of cost burden across all types, but especially with those 62 years and older. More than half of all 62 years and older (family and non-family) households and almost half of large families are cost burdened. Fewer Gloucester families are in the severely cost burdened category, though 62 years and older non-family households experience the highest rate (33%). See Figure 23 below.

Figure 23: Gloucester Cost-Burdened Households by Type¹⁹

Household Type	Total Households	Cost Burdened		Severely Cost Burdened	
		Count	Percent	Count	Percent
62 Years and Older, Family	2,064	889	43%	335	16%
62 Years and Older, Non-Family	1,785	950	53%	595	33%
Small Family	5,124	1,729	34%	635	12%
Large Family	679	329	48%	165	24%
Other	2,578	1,168	45%	404	16%

Because households of any income level can become cost burdened for any number of reasons, it is important to consider rates of cost burden among low-income households specifically (those earning less than 80% of the AMI for Gloucester based on Boston-Cambridge-Quincy, MA-NH HUD FMR Area). These households experience high rates of cost burden in Gloucester. Approximately 65% of all low-income households are cost-burdened and an additional 35% are severely cost-burdened (Figures 24 and 25).

Figure 24: Gloucester Low-Income Cost-Burdened Households by Type²⁰

Household Type	Cost Burdened (only)		Severely Cost Burdened (only)		Total Count	Total Percent
	Count	Percent	Count	Percent		
62 Years and Older, Family	509	4%	335	3%	2,132	18%
62 Years and Older, Non-Family	365	3%	574	5%	1,849	15%
Large Family	124	1%	195	2%	689	6%
Small Family	1,205	10%	563	5%	5,083	42%
Other	568	5%	375	3%	2,418	20%
Grand Total	2,771	23%	2,042	17%	12,171	100%

¹⁹ CHAS 2007-2011

²⁰ CHAS 2007-2011

Figure 25: Gloucester Low-Income Cost-Burdened Households²¹

		Cost Burden		Severe Cost Burden	
	Total	Count	Percent	Count	Percent
Low Income	1,585	834	53%	190	12%
Very Low Income	1,700	999	59%	395	23%
Extremely Low Income	2,090	1,669	80%	1,275	61%
Total < 80% AMI	5,375	3,502	65%	1,860	35%

Middle-Income Housing Problems

CHAS data also indicates the extent to which middle-income households (those earning 80-120% of AMI) suffer from housing problems. A household is said to have a housing problem if it has one or more of the following problems:

1. housing unit lacks complete kitchen facilities,
2. housing unit lacks complete plumbing facilities,
3. household is overcrowded (more than one person per room), and/or
4. household is cost burdened.

The first three problems are relatively rare in MA (although perhaps more so with the immigrant populations), and are considered to be largely equivalent to cost burden.

Asian and Hispanic households were found to be the racial and ethnic groups in Gloucester with a disproportionate share of severe housing problems. The percentage of extremely-low income Asians that are experiencing at least one severe housing problem is over 40 percentage points above the general population. The percentage of Hispanics earning 80-100% of the area median income that are experiencing at least one housing problem is over 85 percentage points above the general population. The extremely-low income Asian households experiencing a disproportionate greater housing need in the area of severe housing problems is of particular concern because of the combined negative effect an extremely low-income and any one of the severe housing problems may have on these households.²²

²¹ CHAS 2007-2011

²² Community Development Block Grant Consolidated Plan, City of Gloucester, 2015-2019

Housing Demand

The following chart shows projected change in housing demand between 2010-2020 by age of householder, type of home (single family or multifamily), and tenure (ownership or rental) based on 2010 housing stock, population, and anticipated population changes. Net demand in 2020 is projected as 247 new units of multifamily for homeownership, 187 new units for multifamily rental, and 256 new units for single family homeownership. Demand for single family rental units is projected to decline by 64 units. In other words, to meet demand over the next few years, housing production should total 434 new multifamily units and 192 new single family units between 2010 and 2020. As mentioned earlier, 168 single-family homes and 67 multifamily units have been permitted or constructed since 2010. Additional units are already in the permitting pipeline. While the production of single family homes may be at pace with demand, the creation of multifamily apartment units is not satisfying the identified need.

As shown in the Figure 26, there will be an overall increase in demand for housing for the cohort aged 15-24 in 2010 (25-34 in 2020). Householders aged 35-54 in 2010 (45-64 in 2020) will predominantly demand single family homeownership units and add back to the supply of multifamily rental units. Householders aged 55-74 in 2010 (65-84 in 2020) will demand a relatively small number of multifamily homeownership, multifamily rental, and single family homeownership units, and will add back to the supply of single family rental units. Householders aged 75 and over in 2010 (85+ in 2020) will add back to the supply of all types of housing.

These housing projections reflect the data from previous planning efforts. As part of the 2014 TOD study for the Railroad Ave. neighborhood, a downtown market study was conducted by MAPC that concluded that Downtown Gloucester could potentially support somewhere between 266 and 533 additional multi-family housing units over the next ten years. The market study is included in Appendix 2 of this report.

Figure 26: Housing Unit Demand by Age Cohort, 2010-2020

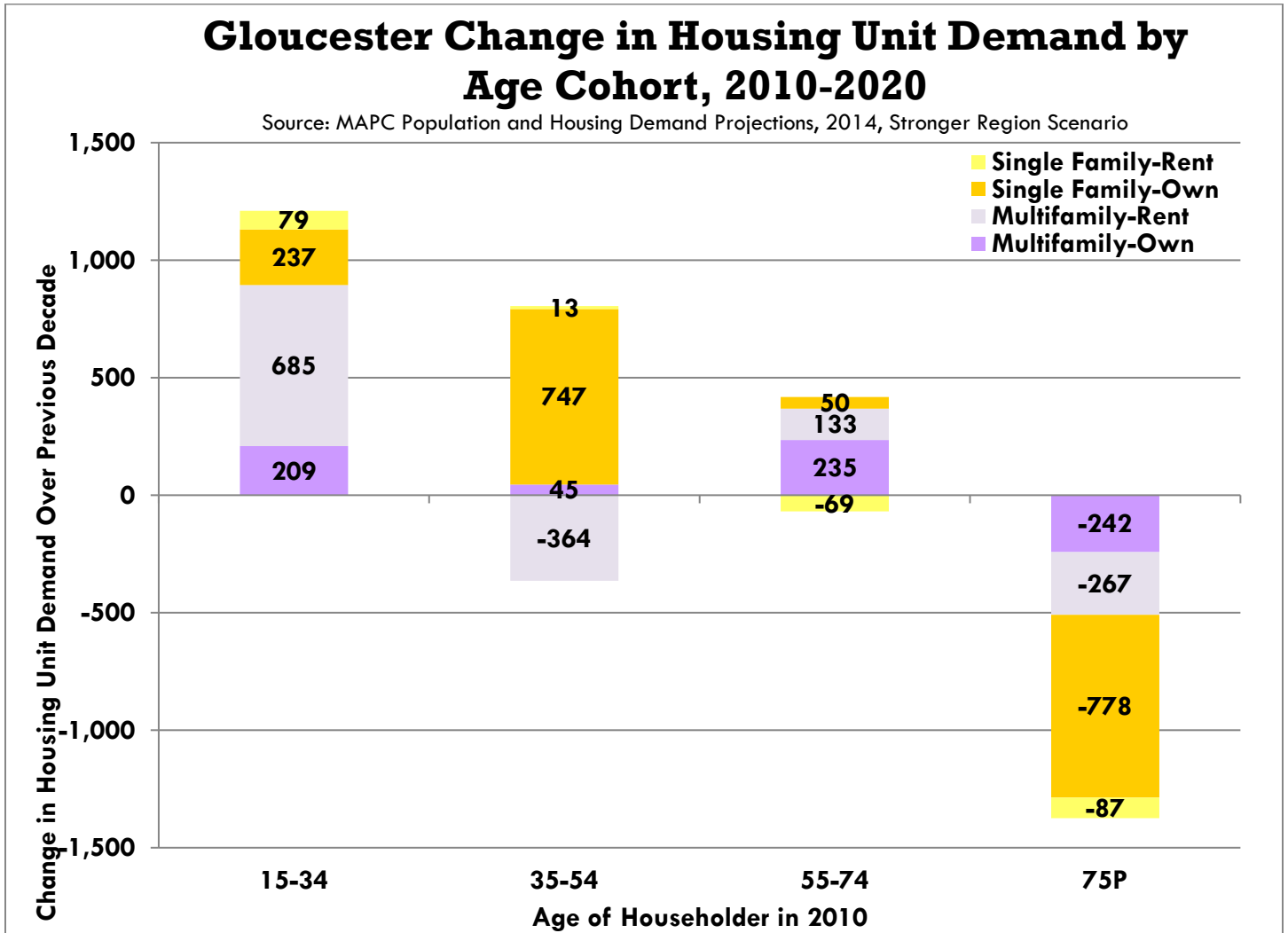


Figure 26: Projected net changes in housing demand between 2010-2020 by age of householder, type of home (single family or multifamily), and tenure (ownership or rental) based on 2010 housing stock, population, and anticipated population changes.

Existing Municipal Tools and Resources

Gloucester currently administers several programs and initiatives aimed to produce and maintain affordable housing units. The Community Development Department and the Health Department administer the majority of these programs. These programs and initiatives have already been proven to be effective in addressing many of the goals of this Housing Production Plan. The existing municipal tools will be incorporated into the implementation plan and will play key roles in promoting healthy and safe housing, both market rate and affordable, and produce additional affordable housing units.

The Community Development Department has three programs specifically designed to increase the number of healthy affordable housing units in the City and work closely with other city departments including the Health Department and the Building and Inspectional Services Department.

Housing Rehabilitation Program

The Housing Rehabilitation Program offers deferred, no-interest loans to owner-occupied homeowners and investor owners. Funding is provided by the U.S. Department of Housing and Urban Development through the Community Development Block Grant (CDBG) Program. The Housing Rehabilitation Program will provide assistance to homeowners in need of emergency repairs, building/health code violation repairs, and/or other repairs in order to improve the safety, accessibility, and energy-efficiency of their home. The objective is to eliminate or improve substandard living conditions in single- and multi-family properties in Gloucester.

Examples of eligible work includes but are not limited to repair or replacement of roofs, electrical system repairs/upgrades, window replacement, hazard remediation (lead paint, mold, asbestos, & radon), heating system repair/replacement, and more. Aesthetic improvements and remodeling are not permitted under this program.

Owner-occupied and investor-owned single- and multi-family properties are eligible for rehabilitation assistance. Property owner and/or tenant income must fall within HUD Income Guidelines.

The maximum amount available: \$20,000 and all deferred loans are payable in full upon sale, title transfer or in some cases refinancing. The city loan is secured by a Loan Agreement and Mortgage.

The City accepts applications for assistance on a rolling basis. Preference may be given to homeowners seeking emergency assistance and first-time applicants. Clients who have received previous assistance within the last four years are ineligible to apply for additional services. All properties must meet underwriting and eligibility guidelines set forth in the Program Policies (available on the City website) to receive services.

In the past year, the City completed eight home rehabilitation projects, with an additional five in the construction stage, five more approved but waiting to commence and approximately ten under review to determine eligibility. Those participating in the program are required to place affordable housing restriction on the housing unit.

Lead Hazard Control Program

The Lead Hazard Control Program offers 0% interest, three year forgivable loans for owner-occupied properties and investor-owned properties. The funding comes from a 2015 three year HUD Grant for \$1.3 million. In FY 2016 ending June 30, 2016, the City deleaded 15 units and expended approximately \$156,000

the first year of the grant. The loans can be up to \$10,000 per unit or \$15,000 for single family residence. The loans will be used primarily to abate lead paint hazards in housing where young children reside or visit. Assistance is available to homeowners, landlords, and their tenants who would like to delead their homes. Examples of deleading could include exterior painting, replacement of windows and exterior doors, interior doors, stairs and trim and other minor repairs to improve the safety of the residence. In most cases qualified rental units will be subject to qualify a 15 year affordable housing restriction. Upon completion, property owners will be in compliance with the Massachusetts Lead Law and may be eligible for a \$1,500 state tax credit for each unit that is delead.

First Time Home Buyer

The First Time Home Buyer program existed in Gloucester from 1996 to 2016 and was funded through the City's CDGB allocation. The program offered 50% of the required down payment and/or closing cost assistance to income-qualified buyers. Residents eligible for the program could also access a loan up to \$10,000 depending financial need, purchase price and lending requirements. This award was a deferred loan which is paid back at the time of rental, sale, transfer of title, or when the property is no longer a principal place of residence. The program has assisted 337 first time home buyers in their purchases. Due to its local success, the City is currently working on a plan to reinstate the First Time Home Buyer Program.

Community Development Department Support Through the Planning Division

Inclusionary Housing

Gloucester adopted Inclusionary Housing Requirements (§5.11) that requires all residential developments in excess of eight units to set aside a minimum of 15% of the total number of units as affordable. This applies to all residential zoning districts as well as the CB, CCD, NB, and VB districts. The ordinance allows for alternative methods of compliance including the development of off-site units or the cash payment in lieu of providing the units. Such a payment would go to the City's Affordable Housing Trust Fund and would be based upon the difference between the production of a market rate unit vs. an affordable one (average market rent or sale price compared to one that is affordable, as defined in the ordinance).

The City has two committees appointed by the Mayor with the authority to fund new and maintain existing affordable housing projects. These two committees receive staff support from the Community Development Department.

Affordable Housing Trust Fund

Gloucester's Affordable Housing Trust Fund (AHTF) was established in 2006 to protect, preserve, and enhance the economic and social diversity of the City, to provide affordable rental and homeownership options for people of all ages and income levels, and to accommodate the changing housing needs of individuals and families.. The Trust Fund has five trustees, including the Mayor. They have the power to disburse funds to support affordable housing through rental assistance, purchase, or subsidize construction. To date the trust has been utilized to subsidize the construction of 33 affordable housing units and provided assistance to 120 rental units. The Trust currently has a balance of \$255,102.78.

The City's Inclusionary Housing Requirement is a potential funding source for the Trust. The Trust accepts and administers cash payments made by developments and projects aiming to satisfy the City's Inclusionary Housing Requirements in Section 5.11 of the Zoning Ordinance. Section 5.11 allows for a cash payment to the Trust in

lieu of creating onsite or offsite affordable units. For rental units, the financial contribution for each affordable unit shall be equal to the difference between the average market rental price for the market-rate units in the subject development and the rent affordable to an income-eligible household as defined by this ordinance and HUD, calculated over a term of ten (10) years. For ownership units, the financial contribution for each affordable unit shall be equal to the difference between the average market sales price for the market-rate units in the subject development and the purchase price affordable to an income-eligible household as defined by this ordinance and HUD.

Community Preservation Committee

By popular vote in the fall of 2008, the citizens of Gloucester adopted a 1% surcharge to be spent in accordance with the provisions of the Community Preservation Act.

The nine member Community Preservation Committee (CPC) was then established in accordance with the terms of the Act. The CPC consists of four members at-large and one representative each from the Historical Commission, the Conservation Commission, the Housing Authority, the Planning Board, and Parks and Recreation.

The mission of the Community Preservation Committee is to study the needs of the City of Gloucester in cooperation with various city boards, departments, organizations, and citizens and to solicit and evaluate proposals for the use of Community Preservation Act funds for the maximum benefit to the City of Gloucester. The CPC will recommend to the City Council those projects which it deems will best achieve the purpose of the Community Preservation Act legislation in the areas of open space, historic preservation, affordable housing and recreation.

10% of the City's annual CPA allocation must be set aside for the creation and preservation of affordable housing. That amount is around \$62,000.

To date the CPA has helped fund the creation of six affordable housing units, and provided funded improvements in 176 existing affordable housing units. The CPA has a balance of \$263,630 that can be used for the creation and preservation of affordable housing.

Board of Health Certificate of Rental Dwelling Regulation #4

To ensure that rental dwelling units comply with State Sanitary Code requirements regarding safe housing, the City's Board of Health adopted local regulations in 1991 that require local rental units to carry a Certificate of Rental Dwelling. Rental units receive the Certificate if the Board of Health Compliance Officer discovers no violations during a rental dwelling unit inspection. Violations are based on the criteria found in the Massachusetts State Sanitary Code, Title 105 Sections 400 through 410. Gloucester is one of the few communities in the state with the additional local requirement of a Rental Dwelling Certificate and inspection, and it is an effective tool in ensuring safe, healthy living conditions in rental units. In addition, property owners with violations in their rental dwelling units are referred to the Housing Rehabilitation Program or Lead Hazard Control Program, when appropriate.

Hoarding Task Force

Since 2009, the Cape Ann Hoarding Task Force (CAHTF) has been working with municipal managers, community organizations and mental health professionals in Gloucester, Rockport and Essex to offer support for those

dealing with the disorder of hoarding and the ripple effect that it has on families trying to cope with a loved one suffering from the condition.

CAHTF efforts include:

- Coordination of enforcement efforts to ensure a parallel track with available support services,
- Creation of a hoarding case matrix to guide municipal departments in their roles during the discovery and response processes,
- Development of outreach information for sufferers, their families and landlords and,
- Training first-responder personnel in recognizing and understanding hoarding.

Programs for Veterans

The U.S. Department of Veterans Affairs (VA) has a home loan guaranty program for eligible veterans. The loans are made by a lender, such as a mortgage company, savings and loan or bank. The VA guarantees part of the total loan amount. The result is that purchasers are able to obtain a competitive interest rate without having to make a downpayment. VA Home Loans can be used for the purchase or construction of single-family homes, townhouses, or condominiums.²³

MassHousing's Home for the Brave program offers affordable, no-downpayment mortgage financing for veterans of the U.S. Armed Services. In conjunction, grants from the VA are available to help disabled veterans make accessibility upgrades to properties they are interested in purchasing.²⁴

The VA Supported Housing (VASH) program provides Section 8 vouchers to chronically homeless veterans with substance abuse and/or mental health issues.

Under Chapter 115 of Massachusetts General Laws, the Commonwealth provides a uniform program of financial and medical assistance for indigent veterans and their dependents. Qualifying veterans and their dependents receive necessary financial assistance for food, shelter, clothing, housing supplies, and medical care in accordance with a formula which takes into account the number of dependents and income from all sources. Eligible dependents of deceased veterans are provided with the same benefits as they would were the veteran still living.²⁵

According to the Gloucester Office of Veterans Services, the City has approximately 2,159 veterans, which is about 7.25% of the total population. It is estimated that 57 veterans and/or spouses are receiving Chapter 115 benefits. The Gloucester Housing Authority reports that 78 of its units are made available to veterans.

Septic Loan Program

The City of Gloucester provides loans to homeowners earning less than \$150,000 per year for the repair, replacement, or upgrade of failed septic systems.

²³ <http://www.mass.gov/veterans/housing/home-loans/va-home-loan-program.html>

²⁴ <http://www.mass.gov/veterans/housing/home-loans/home-for-the-brave.html>

²⁵ <http://www.mass.gov/veterans/benefits-and-services/financial-medical-assistance.html>

Other Existing Tools and Resources

There are several additional resources that the community has successfully utilized. This includes successful partnerships between the City and non-profit organizations to promote safe, affordable housing policy, as well as the creation of affordable housing units.

North Shore HOME Consortium

HOME is a federal housing program administered by the U.S. Department of Housing and Urban Development (HUD). HUD distributes funds to groups of adjacent municipalities who create a local consortium. Gloucester is part of the North Shore HOME Consortium (and was a charter member when the Consortium was established), which provides funding to its member municipalities to support and accomplish local and regional affordable housing goals. The North Shore HOME Consortium is administered by the City of Peabody and currently has 30 members: Amesbury, Andover, Beverly, Boxford, Danvers, Essex, Georgetown, Gloucester, Hamilton, Haverhill, Ipswich, Lynnfield, Manchester-by-the-Sea, Marblehead, Merrimac, Methuen, Middleton, Newburyport, North Andover, North Reading, Peabody, Rockport, Rowley, Salem, Salisbury, Swampscott, Topsfield, Wenham, West Newbury, and Wilmington.

Key housing objectives in recent years have included:

- **Objective A:** Develop an adequate supply of safe, decent rental housing that is affordable and accessible to residents with a range of incomes including those with special needs.
- **Objective B:** Reduce individual and family homelessness.
- **Objective C:** Preserve, maintain and improve the existing stock of affordable housing, particularly units occupied by extremely low and very low-income households.
- **Objective D:** Expand homeownership opportunities for low-income households.

In 2015, the Consortium completed its updated Consolidated Plan, which included a needs assessment that identified a high demand for affordable rental housing. As a result, funding for programs such as first-time homebuyer programs is being phased out in favor of programs designed to create more opportunities for affordable rental units.

The yearly HOME allocation amount varies according to HUD formulas based on entitlement parameters of population, rental housing units occupied by the poor, poverty households living in rental units built before 1950, families in poverty, and rental housing units with problems. The Consortium receives approximately \$1,169,350 through the HOME program each year. The City typically receives about \$60,000 as a set-aside for local use. An additional \$100,000 is estimated to be received each year in HOME Program Income as well. Four municipalities within the Consortium Region, Gloucester, Haverhill, Peabody and Salem, are considered Federal Community Development Block Grant (CDBG) entitlement communities and therefore are direct recipients of CDBG Funds. In 2015, Gloucester received \$618,141 through the CDBG program, and that figure fluctuates based upon federal appropriations. The major homeless needs in the area are primarily serviced through the

Gloucester/Haverhill/Salem/Essex County Continuum of Care which is referred to locally as the North Shore Continuum of Care Alliance, using McKinney-Vento funding.²⁶

Gloucester Housing Authority²⁷

In 1969, M.G.L. Chapter 121B, Section 3, was passed to allow for the creation of housing authorities by cities and towns in Massachusetts. The Gloucester Housing Authority (GHA) serves the needs of very low-income households through units it owns and manages. The GHA was formed in 1948 and currently assists over 1,300 households in the Cape Ann area through its Public Housing, Rental Assistance, Homeownership and Resident Service programs. GHA owns and manages 522 units of State-Aided Family and Elderly Conventional Housing. It also owns and manages 89 units of Federal Public Housing at Willowood Gardens, Arthur Street, and scattered-site buildings.

The GHA accommodates disabled residents and applicants in several ways. The GHA has a total of 21 accessible units in public housing. Additionally, the GHA completes modifications to non-accessible units for residents experiencing mobility issues. The GHA also incorporates residents' input for management through the resident representation of the Board of Directors and the Resident Advisory Board.²⁸

There are currently 563 families on the waiting list.²⁹ The waiting list for family housing at the GHA is four years. The waiting list for the Housing Choice Voucher program is always open and has ranged from approximately 500 qualified Gloucester applicants three years ago to 800 applicants in 2014. Those waiting lists indicate a substantial need for affordable or assisted housing for families in Gloucester.³⁰

Section 8 Housing Choice Voucher Program

The Gloucester Housing Authority (GHA) is currently authorized to assist 573 households on the Section 8 Housing Choice Voucher Program. The GHA also has eight project-based units at Pond View Village.

Households admitted to this program must locate a unit in the private housing market that meets HUD rent and Housing Quality Standards (HQS) requirements. The GHA will then enter into a one-year Housing Assistance Payment Contract with their landlord. Income eligible households pay a monthly rent equal to 30% - 40% of their adjusted monthly gross income and the GHA pays the balance of the contract rent directly to the landlord.

Program participants may also be eligible for GHA's Family Self-Sufficiency (FSS) and Section 8 Homeownership Options. Preferences are available to qualified displaced households, victims of domestic violence and persons who currently work or reside in Gloucester.

The GHA also administers 52 units of single-room occupancy housing (SRO) at the Cape Ann YMCA and 95 Prospect Street. Individuals pay a monthly rent equal to 30% of their adjusted monthly gross income. Applicants must meet income limits and other program requirements. Preferences are available to qualified displaced/homeless individuals, victims of domestic violence and persons who currently work or reside in Gloucester.

²⁶ The McKinney-Vento Education of Homeless Children and Youth Assistance Act is a federal law that ensures immediate enrollment and educational stability for homeless children and youth. McKinney-Vento provides federal funding to states for the purpose of supporting district programs that serve homeless students.

²⁷ <http://www.ghama.com/default.aspx>

²⁸ Community Development Block Grant Consolidated Plan, City of Gloucester, 2015-2019

²⁹ Gloucester Housing Authority Five-Year Plan 2015-2019

³⁰ Community Development Block Grant Consolidated Plan, City of Gloucester, 2015-2019

Cape Ann Homeownership Program

In 2004 the GHA established the Cape Ann Homeownership Center to provide educational opportunities that promote responsible and sustainable homeownership. The Homeownership Center assisted 138 new households in 2014, the majority of whom (70 households) were seeking to purchase their first home. Services provided by the Homeownership Center include:

- Pre- and post-purchase counseling
- Sub-prime mortgage counseling
- Foreclosure prevention
- Section 8 homeownership options
- Affordable housing lotteries
- Affordable housing development program

North Shore Community Development Corporation

The North Shore Community Development Corporation (NSCDC) focuses on low-income and distressed neighborhoods in need of development by investing strategically in real estate, in community and civic engagement and in neighborhood-based programming in order to bring opportunity to low-income residents and improve the quality of life in Salem, Gloucester, Peabody and Beverly.³¹

For its first project in Gloucester, NSCDC will be developing Harbor Village located at 206 Main Street, the site of the former Cameron's Restaurant that has been vacant since 2011. NSCDC is partnering with Action Inc., to own and develop this property. The project will consist of 30 residential rental units within a single 33,000 square foot four story building, with 10 one bedroom, 17 two bedroom and 3 three bedroom units. One-hundred percent of the housing will be available to households earning no more than 60% of Area Median Income. The entire first floor will be commercial, and the second level will include a large community room for gatherings, celebration and education. Immediately off of this room is a private exterior courtyard, offering residents an opportunity to be outside in a sheltered space. There will be 30 onsite parking spaces for tenants in garaged spaces under the building.³²

³¹ <http://northshorecdc.org/about-us/>

³² <http://northshorecdc.org/real-estate/active-projects/harbor-village/>

Figure 27: Rendering of Proposed Project at 206 Main Street



The Caleb Group

The Caleb Group provides secure, affordable homes and builds stable communities that offer diverse populations the tools and resources to empower individuals to make positive changes in their lives. Caleb acquires, develops, preserves and manages housing communities to create positive, supportive, encouraging communities through the efforts of Service Coordinators and the related programs and Community Opportunity Centers associated with each community. Community members are offered resources and programming that help to stabilize and improve their lives through our service coordination programs.³³

The Caleb Group has one property in Gloucester called Pond View Village. This development is located on the site of the historic LePage Glue Factory and contains:

- One-bedroom units: 16
- Two-bedroom units: 45
- Three-bedroom units: 15
- Four-bedroom units: 1
- Handicapped-accessible units: 1 one-bedroom, 2 two-bedroom and 1 three-bedroom unit

Harborlight Community Partners

Harborlight Community Partners (HCP) monitors and supports the permanent affordability of 51 first-time homebuyer condominiums located on four developments in Gloucester. HCP merged with the Community Land Trust of Cape Ann in January 2012 and inherited the land and the responsibility for monitoring these projects.

³³ <http://www.thecalebgroup.org/wp1/>

- Haven Terrace – 26 units
- Babson Block, Granite Street – 15 units
- Forbes School, 47 Washington Street – 8 units
- 22 Taylor Street – 2 units

Action Inc.

Action Inc. is a non-profit human service organization and the designated Community Action Agency serving primarily the City of Gloucester and the towns of Essex, Ipswich, Manchester, and Rockport, Massachusetts³⁴. Action's Emergency Homeless Shelter provides a limited number of beds to homeless adults ages 18 and older in Gloucester. Action Inc. is also the co-developer of the Harbor Village project mentioned above.

Other Funding Entities

There are a number of non-profit organizations and financial institutions that work to build assets and financial capabilities of low-income families so that they might be better equipped to obtain safe and affordable housing. Such programs provide financial counseling through workshops and education, along with creating incentives for saving money so people can own and maintain a home. The City can identify these institutions and collaborate with local and regional nonprofits that provide services to cost burdened families.

³⁴ <http://actioninc.org/aboutaction.html>

Development Constraints

Zoning Analysis

Generally speaking, local zoning ordinances can create barriers to fair access to housing, often unintended. Typically, this happens through policies that do not encourage certain types of residential development or by creating a complicated permitting process through site plan review and special permits. By reviewing and revising the Zoning Ordinance, an opportunity exists where the City can proactively facilitate a more integrated and diverse housing stock.

The City of Gloucester is divided into fifteen zoning districts, seven of which are primarily residential, albeit at varying densities (see Figure 28 Gloucester Zoning Map). Additionally, as noted below, some business districts also allow residential uses.

R-80 Rural Residential (minimum lot area: 80,000 sf)

The R-80 Rural Residential District is located north of Goose Cove in North Gloucester and north of Route 128 in West Gloucester. This district is rural in character and encompasses those areas where limited services and access suggest low-intensity use, where present and anticipated future development is and will continue to be compatible with the environs of low residential density.

R-40 Rural Residential (minimum lot area: 40,000 sf)

The R-40 Rural Residential District is located north and west of the R-80 district in North Gloucester and both north and south of the R-80 district in West Gloucester. This district encompasses those areas where limited services and access suggest low-intensity use, where present and anticipated future development is and will continue to be compatible with the environs of low residential density. This district is intended to provide a transition from the rural R-80 district to the higher density residential districts.

RC-40 Coastal Residential (minimum lot area: 40,000 sf)

The RC-40 Coastal Residential District consists of Eastern Point and that area on the southeast side of the middle portion of Hesperus Avenue. It encompasses those areas where limited services and access suggest low-intensity development, and where existing development consists of single family detached residential uses.

R-30 Low Density Residential (minimum lot area: 30,000 sf)

The R-30 Low Density Residential District is located in West Gloucester. It is suburban in nature, and is an area where limited services and access suggest low-intensity use, and where present and anticipated future development is and will be compatible with the environs of low residential density. This district is intended to accommodate single family residential development and, where appropriate, two family and multi-family development. This district contains large portions of the watershed protection area and is intended to help protect this resource.

R-20 Low/Medium Density Residential (minimum lot area: 20,000 sf)

The R-20 Low/Medium Density Residential District is located east and north of downtown, along significant portions of the west side of the Annisquam River, and along the southwest (oceanside) corridor between the Annisquam River and Magnolia. This district is intended to accommodate single family residential development and, where appropriate, two family and multi-family development. This district provides a transition from the rural districts to the high density districts of the city.

R-10 Medium/High Density Residential (minimum lot area: 10,000 sf)

The R-10 Medium/High Density Residential District is located along both sides of the western portion of Essex Avenue, on both sides of the Mill River, on a portion of the Annisquam River and in that area extending in a northeasterly direction from downtown to the Rockport line. This district is characterized by suburban residential development in existing neighborhoods, and provides a transition from the suburban areas of the city to the more densely populated areas of downtown. This district is intended to accommodate single family residential development and, where appropriate, two family and multi-family development.

R-5 High Density Residential (minimum lot area: 5,000 sf)

The R-5 High Density Residential District is located in the downtown area of the city and is the highest density residential zone in the city. This district allows for a mix of single family, two-family and multi-family residential dwellings.

CCD Civic Center (no minimum lot size)

The Civic Center District consists of those existing civic buildings in the immediate vicinity of City Hall. This district is intended to include civic uses that serve the entire city, although limited types of commercial and residential uses are allowed.

CB Central Business (no minimum lot size)

The Central Business District is located on either side of Main Street. A broad range of business, retail, office and institutional uses are allowed, as are residential units above retail establishments. This is the city's most intensely commercial district, and retail stores and restaurants predominate. This district is intended to include uses that serve all of Cape Ann.

VB Village Business (minimum lot area: 5,000 sf)

Village Business Districts are located in Lanesville, Magnolia and the area off Essex Avenue around Lower Banjo Pond. Certain business, retail, office, and institutional uses are allowed, and primarily serve the residents of the immediate neighborhood. Limited residential use is also allowed.

NB Neighborhood Business (minimum lot area: the same as the abutting residential district with the smallest required minimum lot area)

Neighborhood Business Districts are located throughout the city. Residential uses are allowed, as are consumer service and retail businesses serving the residents of the immediate neighborhood.

EB Extensive Business (minimum lot area: 10,000 sf)

Extensive Business Districts are located along collector streets in various areas of the city. Business, service and retail uses serving a regional clientele are allowed; residential uses are generally not allowed.

MI Marine Industrial (minimum lot area: where the subject property abuts one or more residential districts, the minimum lot area is the same as the abutting residential district with the smallest required minimum lot area; otherwise, no minimum lot area)

The Marine Industrial District is located along Gloucester's Inner Harbor, where utilities and access roads can support high-intensity industrial and commercial activities that are primarily marine-related. Residential uses are generally not allowed.

GI General Industrial (minimum lot area: 10,000 sf)

General Industrial Districts are primarily located along arterial and collector streets. Manufacturing, assembling, processing and other industrial uses are allowed, as are certain businesses. Residential uses are generally not allowed.

BP Business Park (minimum lot area: 40,000 sf)

The Business Park districts are located off Blackburn Circle and Kondelin Road, and accommodate offices, warehousing, limited service uses and light industrial uses in a business park setting. They have ready accessibility and utility capacity to accommodate the demands of business park development. Residential uses are generally not allowed.³⁵

The dimensional regulations for each district are as follows:

	R-80	R-40	RC-40	R-30	R-20	R-10	R-5	CCD	CB	VB	NB ³⁶
Minimum lot area (sf)	80,000	40,000	40,000	30,000	20,000	10,000	5,000	5,000	5,000	5,000	
Minimum lot area per dwelling unit (sf)	80,000	40,000	40,000	30,000	10,000	2,000	1,000	1,000	1,000	1,000	
Minimum lot width (ft)	150	150	150	100	100	80	50	50	50	50	
Minimum frontage (ft)	100	100	100	80	80	65	50	50	50	50	
Minimum front yard (ft)	40	40	40	30	30	20	15	15	15	15	
Minimum side yards (ft each)	30	30	30	20	20	10	7.5	7.5	7.5	7.5	
Minimum rear yard (ft)	30	30	30	30	30	20	20	20	20	20	
Maximum building height (ft)	30	30	30	30	30	30	30	30	30	30	

³⁵ Gloucester Zoning Ordinance §2.1.1

³⁶ Dimensional requirements shall be those of the abutting residential district

2.3.1 RESIDENTIAL USES

		R-80	R-40	RC-40	R-30	R-20	R-10	R-5	CCD	CB	VB	NB	EB	MI	GI	BP
	FN. #													1		2
1 One-family detached dwelling	3	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	N	N	N	N
2 Conversion of one-family dwelling to two-family, without changes to the exterior dimensions of the building	3	Y	Y	N	Y	Y	Y	Y	Y	SP	SP	SP	N	N	N	N
3 Conversion of one-family dwelling to two-family, with changes to the exterior dimensions of the building	3	Y	SP	N	SP	SP	SP	Y	Y	SP	SP	SP	N	N	N	N
4 New two-family dwelling	3	Y	Y	N	Y	Y	Y	Y	Y	SP	SP	SP	N	N	N	N
5(a) Conversion to or new mixed use building with not more than one (1) dwelling unit.	4, 8	N	N	N	CC	SP	SP	SP	SP	Y(5)	Y(5)	SP	N	N	N	N
5(b) Conversion to or new multi-family or apartment dwelling, up to two dwelling units.	4, 8	N	N	N	CC	SP	SP	SP	SP	Y(5)	Y(5)	SP	N	N	N	N
6 Conversion to or new multi-family or apartment dwelling, three dwelling units	4, 8	N	N	N	CC	SP	SP	SP	SP	Y(5)	SP	SP	N	N	N	N
7 Conversion to or new multi-family or apartment dwelling, four to six dwelling units		N	N	N	CC	CC	CC	CC	CC	CC	CC	CC	N	N	N	N
8 Conversion to or new multi-family or apartment dwelling, seven or more dwelling units (see Section 5.7.1)		N	N	N	CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS	N	N	N	N
9 Cluster Development (see section 5.9)		PB	PB	PB	PB	PB	PB	N	N	N	N	N	N	N	N	N

10 Boarding house, rooming house, lodging house or hostel, licensed by the Licensing Board	3	N	N	N	SPS	SPS	SPS	SPS	SPS	SPS	SPS	SPS	SPS	N	N	N	N
11 Hotel, motel, motor inn, under 30 guest units		N	N	N	CCS	CCS	CCS	CCS	CCS	Y	Y	N	Y	N	N	N	N
12 Hotel, motel, motor inn, 30 or more guest units (see Section 5.7.1)		N	N	N	CCS	CCS	CCS	CCS	CCS	CCS	CCS	N	CCS	N	N	N	N
13 Mobile home park		CCS	CCS	N	CCS	CCS	CCS	N	N	N	N	N	N	N	N	N	N
14 Mobile homes, except those at mobile home parks or campgrounds (see Section 5.1)		N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
15 Campground		CCS	CCS	N	CCS	CCS	CCS	N	N	N	N	N	N	N	N	N	N
16 Camping or tenting, except within a campground or by children in their own yard		N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
17 Temporary use of mobile home following fire or other natural disaster (see Section 5.1.5)	6	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
18 Assisted Living Residences, up to 10 units (see Section 5.14)		CC	CC	CC	CC	CC	CC	CC	CC	CC	CC	CC	CC	CC	N	N	N
19 Assisted Living Residences, 11 or more units (see Sections 5.7, Major Projects, and 5.14)		CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS	CCS	N	N	N
20 Open Space Residential Development (see Section 5.15)		Y	Y	Y	Y	Y	Y	N	N	N	N	N	N	N	N	N	N
21 Village Development Project (see Section 5.16)	7	PB	PB	N	PB	PB	PB	N	N	N	N	N	N	N	N	N	N

FOOTNOTES TO SECTION 2.3.1, RESIDENTIAL USES

- (1) In the MI District, Supporting Designated Port Area (DPA) Uses, as defined in 310 CMR 9.02, shall not in the aggregate occupy more than 50% of the ground level area on filled tidelands on a lot within the DPA. Such uses shall also be subject to dimensional requirements of 310 CMR 9.0. Within the water-dependent use zone, as defined in 310 CMR 9.02, in the MI District no use shall be permitted unless it provides access to water-borne vessels.
- (2) See Section 5.12.
- (3) Not more than one principal building per lot, with the exception of wind energy conversion facilities.

- (4) In CB and VB Districts:
 - [i] A retail store or other business must be maintained on the street level floor; and
 - [ii] Unless the Board of Appeals authorizes a lesser number of off-street parking spaces pursuant to Section 4.1.2, the residential units on the upper floors and the business on the ground floor must satisfy all current and applicable off-street parking requirements.
- (5) SP if exterior of the existing building is expanded.
- (6) Y for one year from the date of the fire or other natural disaster; if an extension of time is needed, SP.
- (7) Limited to Targeted Village Development Areas, as defined at Section 5.16.3.6.
- (8) Special permit standard applies without regard to Sections 2.4.4(a) through 2.4.4(b). For dimensional standards see Section 3.2.1.

Mixed Use

Gloucester allows mixed use in Section 2.3.2 of the Zoning Ordinance:

Where a building or structure or land is proposed to be used for more than one principal use, whether the uses are in separate buildings or in the same building either vertically or horizontally connected, all of which uses are permitted in the zoning district in question and none of which is accessory to one another, such mixed uses shall be allowed. In the event that a provision of this ordinance applying to one of such uses is inconsistent with a provision applying to another, the more restrictive provision shall apply.

Overlay Districts

The City has incorporated the following overlay districts in its zoning ordinance.

The Watershed Protection Overlay District (§5.10) was established to protect and preserve the surface and groundwater resources of the City. The area included is delineated on an official map entitled "Public Water Supply Watershed Boundary Maps, City of Gloucester". It prohibits "any building or structure lying within 50 feet of the banks of all brooks, streams and rivers or within 50 feet from the normal highwater line of lakes, ponds, marshes, swamps and bogs".³⁷ Housing is not listed as a use that could be allowed by special permit, but it is understood the need for housing must be balanced by the need to protect the public water supply.

The Village Development Overlay District (§5.16) provides for the issuance of a special permit for flexibly designed housing projects in environmentally sensitive areas with adequate infrastructure that are designed to preserve open space. As an incentive to do so, density bonuses are available for projects that preserve open space and create affordable housing. The Village Development Overlay District shall consist of specially designated areas as shown on the map entitled "Village Development Overlay Zoning District Map". The number of dwelling units or bedrooms in a development could be increased up to twofold. If the Planning Board allows for a dwelling unit bonus, at least 50% of all dwelling units awarded as a density bonus shall be two bedroom units and/or permanently restricted to occupancy by persons over the age of fifty-five. In the alternative, a bedroom bonus is calculated by three times the number of allowed additional dwelling units. As a condition for the grant of any special permit in the overlay district, a minimum of 20% of the total number of dwelling units shall be deed-restricted for 45 years (10% for low-income households and 10% for moderate income households). A payment in lieu of producing the units is an allowed option.

³⁷ Gloucester Zoning Ordinance §5.10.4(v)

The Atlantic Road Overlay District (§5.28) was established to protect the Gloucester Back Shore on the water side along a stretch of Atlantic Road from development that may be impacted by storms. Any development in that district requires a special permit from the City Council and could limit the development of housing in that area.

Inclusionary Housing

Gloucester adopted Inclusionary Housing Requirements (§5.11) that requires all residential developments in excess of eight units to set aside a minimum of 15% of the total number of units as affordable. This applies to all residential zoning districts as well as the CB, CCD, NB, and VB districts and residential developments include single, two-family and multi-family dwelling units, Cluster Developments (§5.9), Open Space Residential Developments (OSRD, §5.15), and conventional subdivisions. The ordinance allows for alternative methods of compliance including the development of off-site units or the cash payment in lieu of providing the units. Such a payment would go to the City's Affordable Housing Trust Fund and would be based upon the difference between the production of a market rate unit vs. an affordable one (average market rent or sale price compared to one that is affordable, as defined in the ordinance).

Accessory Apartments

Accessory In-law Apartments are allowed by special permit from the Zoning Board of Appeals in all residential districts (if the lot is at least 5,000 sf in size) as regulated in §5.24 of the ordinance. As defined, they are "designed for the occupancy of a family member(s), and shall remain under the same ownership of the principal dwelling". The size of the accessory in-law apartment cannot exceed 600 sf, including the kitchen and bathroom, or 35% of the total gross floor area of the principal dwelling, whichever is greater. The record owner of the property must live on the premises.

Cluster Development

The City allows cluster developments (§5.9) by special permit. For each affordable unit produced in such a development, a density bonus of one lot or dwelling unit can be permitted for each 1.5³⁸ permanently affordable dwelling units built.

Allowance of Residential Uses

There are seven residential zoning districts, and four other zoning districts that allow residential uses. Section 2.3.1 of the Zoning Ordinance includes a use table outlining the types of residential units allowed in each zoning district.

Single family homes are allowed by right in all seven residential districts as well as in the CCD, VB, and NB districts as long as all the minimum dimensional requirements are met. The City recognizes dwelling units larger than single family in four categories, two-family, three-family, four to six dwelling units, and seven or more dwelling units.

The ordinance categorizes two-family dwellings into three types, have different allowances based on zoning district. Conversions of single family to two family homes without changes to the exterior dimensions of the building are allowed by right in all residential districts except for RC-40, and in the CCD district. However, they

³⁸ §5.9.8 states that the Planning Board may authorize an increase in lots or dwelling units up to 20% above that allowed in a cluster development if certain conditions are met, including the production of affordable units as outlined above.

are also allowed through a Zoning Board of Appeals Special Permit in the CB, VB, and NB districts. Conversions of single to two family that change the exterior dimensions of the building are allowed by right in both the higher density R-5 and R-10 districts and in the lowest density R-80 district, provided that the lot has double the required lot area. It is also allowed by right in the CCD district. Two family conversions with changes to the exterior are allowed by special permit in the R-10, R-20, R-30 and R-40 residential districts, as well as the CB, VB, and NB districts. New two-family dwellings are allowed by right in all residential districts except for RC-40, and in the CCD district. For the lower density districts lots need to be double the required lot size for single family dwelling units (R30 through R80). New two-family units are allowed by special permit in the CB, VB, and NB districts.

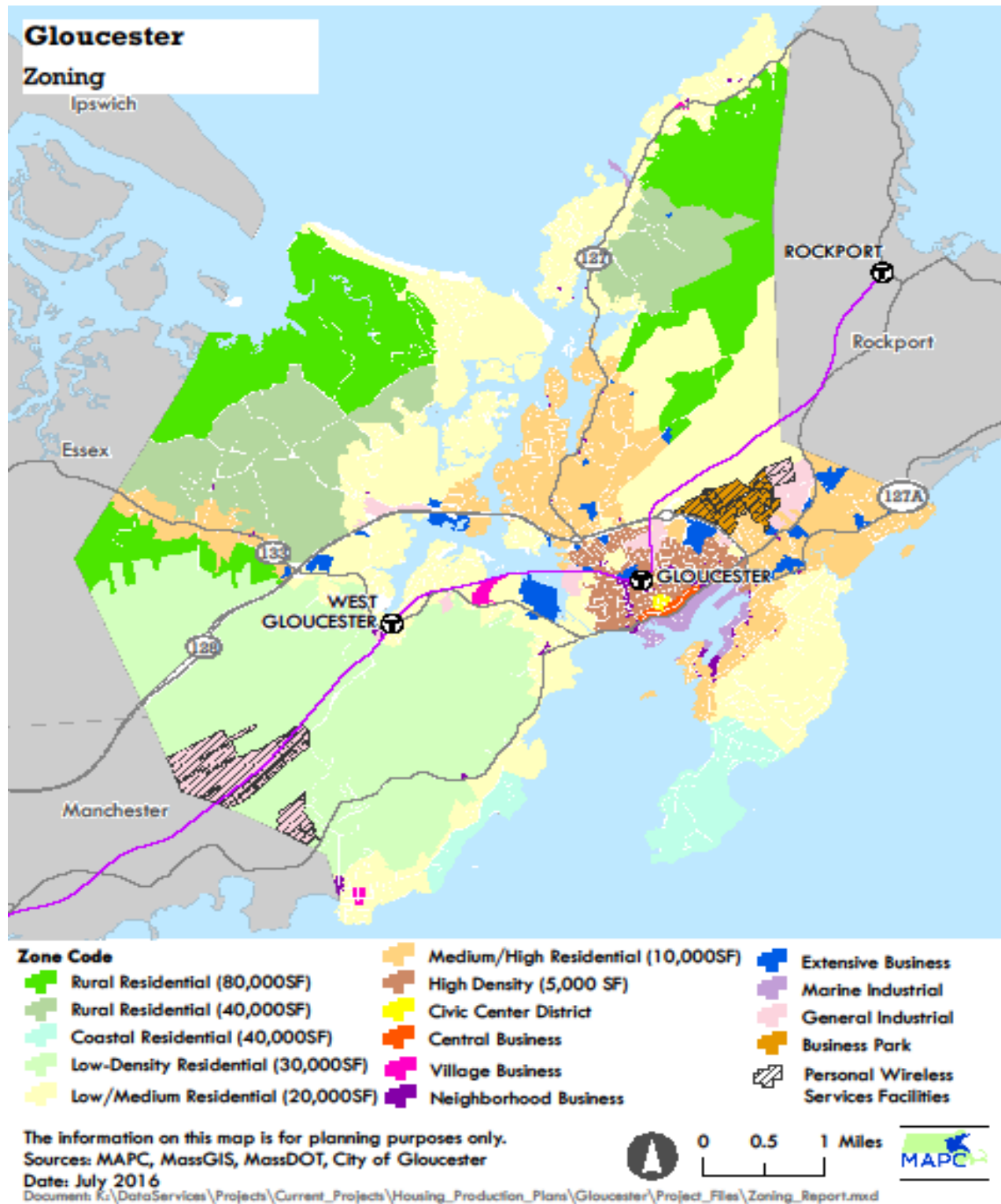
Three family dwellings are allowed by a Zoning Board of Appeals (ZBA) special permit in the higher density residential zoning districts, R-5, R-10, and R-20 and in the CCD, VB, and NB districts. Multi-family units between four to six dwelling units are allowed by City Council Special Permit in the higher density zoning districts, R-5, R-10, R-20, and R-30, as well as in the CCD, CB, VB, and NB districts. Multi-family projects with seven or more dwelling units are allowed with a City Council Major Project Special permit in the same districts. However, the minimum lot area doubles in all of the zoning districts for any multi-family project, as does the minimum lot area per dwelling unit, as shown on the table below, Section 3.2.2 of the Zoning Ordinance.

		Former Designations:							
		[R-2A]	[R-2]	[R-3]	[R-4]				
		FN.	R-30	R-20	R-10	R-5	CCD	CB	VB
Minimum lot area (sf)		60,000	40,000	20,000	10,000	10,000	10,000	10,000	g
Minimum lot area per dwelling unit (sf)	a	15,000	10,000	5,000	2,500	2,500	2,500	2,500	g
Minimum open space per dwelling unit (sf)	a	7,500	7,500	3,500	1,250	1,250	1,250	1,250	g
Minimum lot width (ft)		150	150	100	80	80	80	80	g
Minimum frontage (ft)		125	125	80	65	65	65	65	g
Minimum front yard (ft)	b	30 (d)	30 (d)	20 (d)	15 (f)	15 (f)	15 (f)	15 (f)	g
Minimum side yards (ft each)		40 (d)	40 (d)	20 (d)	7.5 (f)	7.5 (f)	7.5 (f)	7.5 (f)	g
Minimum rear yard (ft)		40 (d)	40 (d)	20 (d)	7.5 (f)	7.5 (f)	7.5 (f)	7.5 (f)	g
Maximum building height (ft)	c	30	30	30	30	30	30	30	g
Distance between principal buildings (ft)		e	e	e	e	e	e	e	e

Residential Analysis

The Zoning Ordinance appears to encourage multi-family projects in the higher density residential zoning districts, the majority of which are located in the downtown area, which is appropriate because of the infrastructure, services, and amenities available within close proximity in the downtown. The dimensional requirements, however, are not consistent with historic multi-family development patterns within these districts and do not support future development. In 2015 the City changed the Zoning Ordinance to allow three-family through a ZBA special permit rather than a City Council Special Permit, and during this process the Planning Department analyzed the lot sizes of properties within the high density residential districts. Assessing/GIS data show that there are approximately 375 existing three-family dwellings in the City, with a majority (some 250) located in R-5 Residential Zoning District. Taking just the three-family dwellings in the R-5 districts, less than 15% comply with the minimum dimensional standards for the district. Many of these three families have come into existence from conversions of one or two-family dwellings to three-family dwellings. The current permitting path would necessitate that an applicant first receive dimensional relief from the Zoning Board of Appeals, before applying for a three-family special permit or moving on to the City Council for a multifamily special permit for over four units. This adds both expense and a lengthy process to a means of providing additional needed housing in the downtown residential core. The burden for the grant of a variance is extremely high, and requires the demonstration of a hardship related to a specific circumstance. Dimensional requirements, particularly those in the neighborhoods more conducive to higher density development, such as downtown, should be addressed and adjusted to help encourage much needed housing in the form of multi-family development.

Figure 28: Gloucester Zoning Map



Development Constraints

Infrastructure

The City is served by public water and sewer throughout most of the City. West Gloucester has sewer service along Rt. 133 but the rest of the neighborhood are served by private septic systems. This area is more sensitive from an environmental and water resources perspective and therefore may not be suitable to accommodate substantial residential growth. Downtown Gloucester, where there is potential opportunities for future housing development, is served by water and sewer. There are no foreseeable service limitations in the downtown area that would impact residential development. In East Gloucester, there are some capacity limitations and a study of the area is warranted to determine the exact extent of that limitation. The area is mostly, but not entirely sewer. There is a lot of open land, but there are wetland constraints in the area as well. There is sewer service through most of the northern portion of the City, but some neighborhoods (Annisquam and Lanesville in particular) have a Septic Tank Effluent Pumping (STEP) systems, which are expensive to operate and maintain.

The City has three water filtration facilities – one in West Gloucester and one in East Gloucester, with an additional seasonal/supplemental water treatment facility that is used when needed. Generally, they run in series which allows the City to periodically switch off one to conduct routine maintenance functions. Although these facilities are old, the City invested \$40 million in improvements in 2010.

Water and sewer pipes were initially installed in the 1930s and the City has a routine rehabilitation program in place to make sure they are functioning properly.

The City's sewerage is treated at its primary treatment facility, and it is possible that the price of wastewater treatment may increase over time if further treatment is required in the future. The City is investing \$40 million to upgrade its combined sewer overflow facilities, and the work is due to be completed in 2017, which will close out a long standing consent order with the Environmental Protection Agency. Additionally, the City is moving forward with MS4 permitting, and compliance and stormwater regulations for development projects have been adopted.

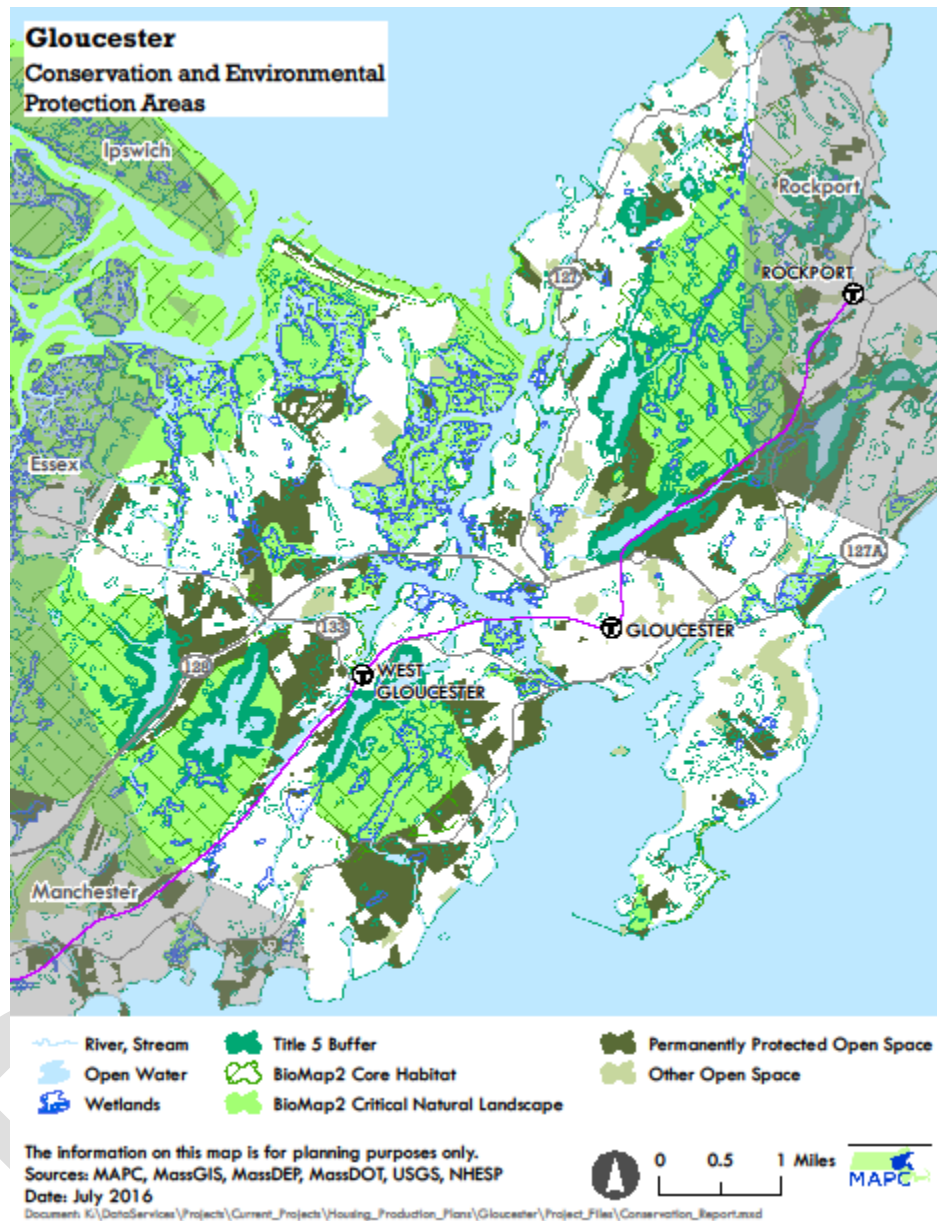
Overall, there are no expected capacity issues with respect to water and sewer infrastructure given the current permit limits in place. Nor have the drought conditions have not put any undue stress on the water or sewer systems.

In June 2016, Gloucester adopted the *Coastal Climate Change Vulnerability Assessment and Adaptation Plan* prepared by Kleinfelder. The report included an infrastructure vulnerability assessment that was performed on municipally-owned infrastructure subject to flooding, including sewer pump stations, roads, bridges, wharves, seawalls, and other critical facilities such as schools, police stations, fire stations, etc. owned and operated by the City of Gloucester.³⁹ The report identifies the top 20 infrastructure assets that are vulnerable to flooding currently and into 2030, which includes a number of roadways along the coast as well as several bulkheads/seawalls, revetments and the Mill Pond Dam.

Beyond flooding due to sea level rise and storm surge, Gloucester has additional sensitive environments. This includes steep slopes, high water table, and wetlands. Figure 29 illustrates many of these areas.

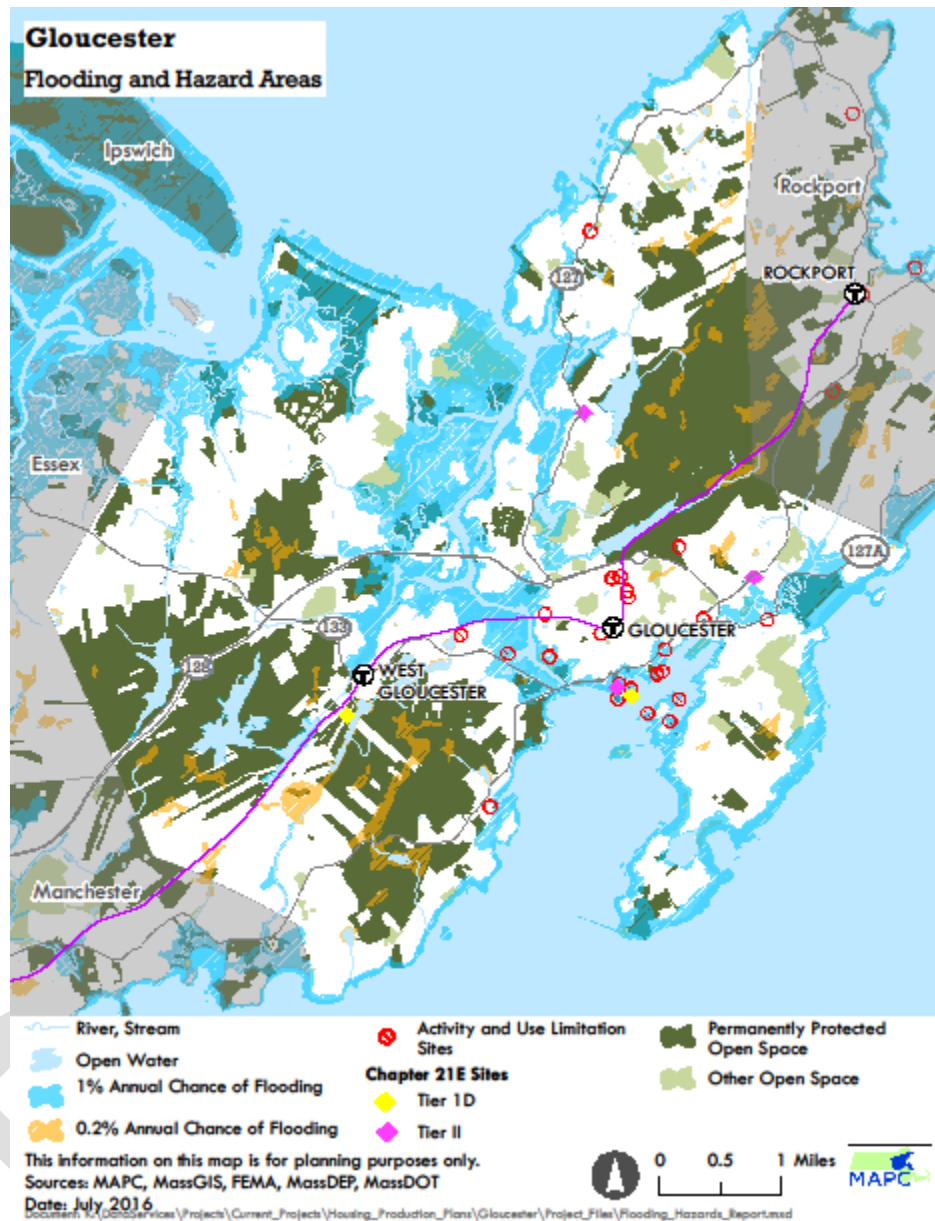
³⁹ Ibid., p. 18

Figure 29: Conservation and Environmental Protection Areas



Several options are presented including the raising of key private and public waterfront structures, installing permanent flood barriers, or even constructing a hurricane barrier system in the outer harbor which would preclude the other two options. Increasing the size of the berm around the wastewater treatment facility will eventually be needed to protect the facility from storm surges. Elevating some roadways is also recommended, especially around the inner harbor area. The report also recommends a number of amendments to the City's zoning ordinance to enhance flood resilience. Based on existing and future flooding scenarios there may be lands that due to increased risk should be restricted from new housing development (see Figure 30).

Figure 30: Flooding and Hazard Areas



Affordable Housing Goals

On Wednesday, January 27, 2016, the City of Gloucester with assistance from the Metropolitan Area Planning Council (MAPC) hosted the first of two public forums that informs this HPP. The meeting, which was held at the City Hall Kyrouz Auditorium, provided the 30 participants with an overview of the project, a presentation summarizing housing needs and demand in Gloucester, and an opportunity to discuss potential housing goals, barriers and opportunities in Gloucester. A summary of findings from the group discussion is provided in Appendix 1.



Photo from January 27, 2016 Public Forum at Gloucester City Hall

The ideas shared at the public meetings and working group meetings, as well as the analyses of housing needs and of development constraints, indicate the need for more affordable and deed-restricted housing in Gloucester to meet the identified needs of low- and middle-income and cost-burdened individuals and families. Towards that end, the City will need to think creatively about how to maximize development potential. Given this, MAPC worked with the City to develop a set of housing goals and strategies that will serve as a proactive guide for building a more diverse and affordable housing stock that will meet current and future demand.

Affordable Housing Goals

Goal 1: Create opportunities to develop a diverse and affordable housing stock to meet the needs of a changing demographic profile in the city.

Goal 2: Encourage affordable housing development to achieve and maintain the Chapter 40B 10% goal.

Goal 3: Develop strategies to ensure that existing affordable housing units are preserved for long-term affordability.

Goal 4: Identify sites that are most appropriate to accommodate Gloucester's projected growth in housing.

Goal 5: Review and revise the Zoning Ordinance to remove barriers and create more incentives toward the production of affordable housing in appropriate locations.

Goal 6: Leverage existing funding sources to meet existing and future housing needs.

Goal 7: Minimize the displacement of lower-income households.

Goal 8: Promote safe, healthy housing and living.

Goal 9: Ensure that the city is affirmatively furthering fair housing obligations.

Goal 10. Ensure that staffing and commissions have capacity to implement HPP.

DRAFT

Implementation Plan

Based upon the goals outlined above, the following strategies and action plan items are designed to guide the City toward accomplishing those goals. The following implementation plan intends to deliver on the promise of the goals expressed throughout this process, with a program of tangible steps for the City to take over the next five years. There is a high level of activity already underway on many of these steps, and the City is well-equipped to move forward with implementation based on these ongoing efforts and with some additional “retooling” of existing resources.

Goal 1: Create opportunities to develop a diverse and affordable housing stock to meet the needs of a changing demographic profile in the city.

Strategy 1.1: Work to Maintain CDBG and HOME Funding, and Ensure Housing Rehabilitation and First Time Homebuyer Programs are Meeting Housing Needs

The purpose of the City of Gloucester’s Housing Rehabilitation Program is to foster and maintain affordable, decent, safe, and sanitary housing in the City. The Housing Rehabilitation Program is funded by the City through its allocation of federal Community Development Block Grant (CDBG) funds from the U.S. Department of Housing & Urban Development (HUD). The level of funding for the program varies annually.

The City of Gloucester’s Program is available to income-eligible owners of single- and multi-family residential homes in Gloucester.

The Housing Rehabilitation Program, through the Grants Division of the Community Development Department, offers deferred payment, 0% interest loans to owner-occupied properties (1 - 7 units). The program will provide assistance to homeowners in need of emergency repairs, building/health code violation repairs, and/or other repairs in order to improve the safety, accessibility, and energy-efficiency of their home.

The City will now also be using CDBG funding for a first-time Homebuyers Program. The HOME Consortium is providing rental assistance as well.

Action Plan

- Continue to allocate CDBG and HOME funding to the Housing Rehabilitation Program
- Allocate a greater proportion of funds to the Housing Rehabilitation Program, or seek additional funding to preserve more housing units and serve income-eligible households
- Leverage additional funding for these programs through Community Preservation Act (CPA) and Affordable Housing Trust Fund (AHTF) allocations

Strategy 1.2: Provide Seniors and Persons with Disabilities with Greater Housing Options in Gloucester

The housing needs and demand assessment identified a significant number of senior households in need of potential housing assistance due to cost burdens and related issues with maintaining their homes. There is an extensive waiting list for GHA housing and there are limited units of senior housing available and only 21 units that are accessible. The City should encourage the development of new housing that is adaptable or fully accessible to people with disabilities, including seniors, and integrate or connect community supportive housing services into new development. The City should coordinate with the Council on Aging, the GHA, and other local senior advocates to help households in need get the support they deserve through local programs or improved living conditions. This should include fuel assistance, weatherization, and related programs, listed in full here: http://www.massresources.org/massachusetts_energy_assistance_d.html.

Goal 2: Encourage affordable housing development to achieve, exceed and maintain the Chapter 40B 10% goal.

Strategy 2.1: Achieve Annual Housing Production Goals

In order to address unmet housing need and be compliant with Chapter 40B, Gloucester officials must establish and work to achieve production targets. The goals listed in Figure 31 below are based upon the total number of year-round homes as listed in the 2010 decennial Census (13,270) and MAPC's projection for the year 2020 of 625 additional units (13,895). The "cumulative state-certified affordable units" row is based upon the SHI as of January 2016 and a rate of increase of 0.5% of total units, which is required for municipalities to have their plan certified by DHCD, and could provide the City with more leverage in its review of any future comprehensive permits for Chapter 40B development. For Gloucester, the 0.5% and 1% goals are 66 and 133 respectively.

The City seeks to increase its inventory of State-certified affordable units at a pace generally consistent with the following production schedule. If the City continues at the pace outlined in the schedule, it will reach 9.3% by 2021. Note however, that the housing needs assessment in this HPP demonstrates a far greater need for affordable housing in Gloucester given that 43% of all households are cost-burdened and 19% are considered to be severely cost-burdened.

Figure 31: Gloucester Affordable Housing Production Goals, 2016-2021

	2016	2017	2018	2019	2020	2021
Total year-round homes	13,270	13,395	13,520	13,645	13,770	13,895
Cumulative state-certified affordable units*	951	1,017	1,084	1,152	1,220	1,289
10% requirement	1,327	1,339	1,352	1,364	1,377	1,389
Chapter 40B gap	376	322	268	212	157	100
Required units for relief at 0.5% of total units	66	67	68	68	69	69
Required units for relief at 1.0% of total units	133	134	135	136	137	139

*Based on 2015 SHI plus 0.5% rate of increase. Source: US Census Bureau, 2010 Census and MAPC MetroFuture projections for 2020.

Action Plan

- Affirm commitment to housing production goals as stated in the Housing Production Plan
- Annually review HPP goals and strategies through its expiration
- Regularly measure housing production, identify areas for continued improvement⁴⁰

Goal 3: Develop strategies to ensure that existing affordable housing units are preserved for long-term affordability.

Strategy 3.1: Monitor and Preserve Existing Affordable Units

The City should continue to closely monitor units that could expire over the next few years. Moreover, the City should take steps to preserve affordable units so that they remain on the SHI and Gloucester continues to make progress towards the 10% target.

Action Plan

- Work with owners of expiring SHI units to recertify them
- Ensure that existing deed-restricted housing is monitored for compliance with restrictions
- Maintain an updated SHI annually as affordable units are created

⁴⁰ UMass Donahue Institute Population Estimates Program (UMDI-PEP) has a program called the Housing Unit Review. The Institute can annually review the housing components used by the Census Bureau for their estimates, and to replace incorrect or estimated data for each municipality with updated, corrected, or actual data through the HUR Survey. MAPC also updates its projections on a regular basis.

Goal 4: Identify sites that are most appropriate to accommodate Gloucester's projected growth in housing.

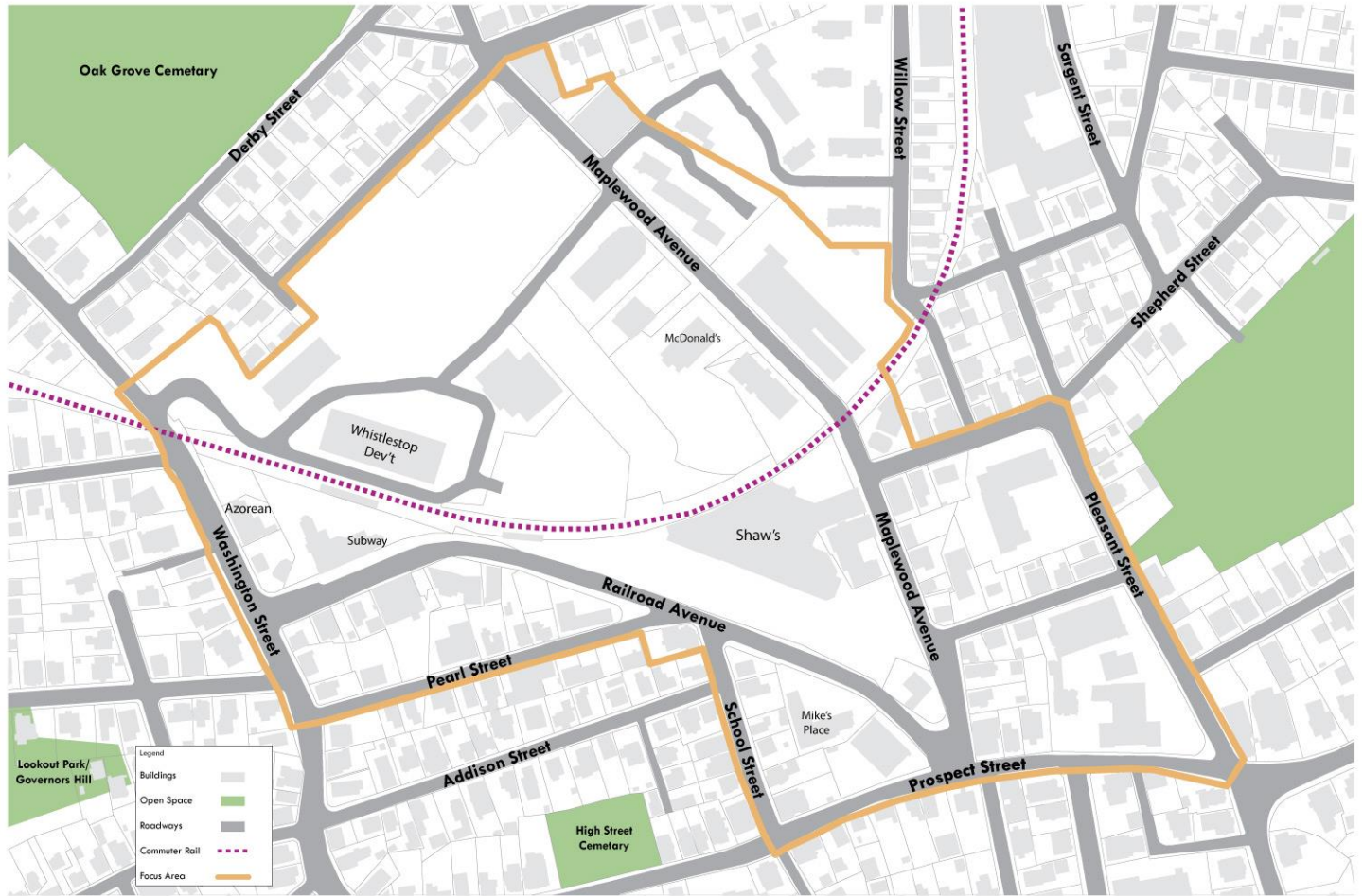
In consultation with the Working Group for the Gloucester HPP, and based on the analysis conducted by MAPC and input received at the October 2016 public forum, a number of potential sites for additional housing have been identified for consideration.

In 2008, the City closed the Fuller School located at 4 Schoolhouse Road along Blackburn Circle. Since that time, the school was partially used for administrative purposes for the Gloucester School Department and the Fuller School Integrated Preschool, until it was vacated in 2015. The City issued a request for proposals for a mixed use redevelopment. The current proposal for redevelopment of the site is to build up to 200 market rate apartments in addition to the relocation of a YMCA facility, and an additional 25,000 square feet of the new retail/commercial space. Pursuant to the City's Inclusionary Housing Requirements, 15% of the units would be required to be affordable. However, the developer opted to make an in-lieu contribution to the Affordable Housing Trust Fund, which will be approximately \$1,500,000. As a result, the City should recognize that this project will increase the SHI denominator after the 2020 Census update of the SHI and carefully strategize how to best leverage and maximize the creation of affordable units with these funds. Regardless of the strategy and implementation of the in-lieu funds, the project will satisfy the community need for multi-family units as well as increase a housing product type that's available in limited supply in the community.

In 2014, MAPC in partnership with the City of Gloucester, undertook a market study for the entire downtown area including the Gloucester MBTA commuter rail station (see Figure 32). Located just north of the Central Business District (CBD) within walking distance to Main Street, the focus area is roughly bordered by Washington Street to the west, Myrtle Square to the North, Maplewood Avenue to the east, and Pearl and Prospect Streets to the south. The purpose of the market study was to identify the potential for housing, retail and office market segments that can be supported within the study area, with particular focus on the target area around the MBTA station, as well as the connective corridors from Main Street the station area.⁴¹

⁴¹ Gloucester Downtown Market Analysis, Metropolitan Area Planning Council, July 2014

Figure 32: Focused Study Area - Gloucester Downtown Market Analysis



The study concluded that Downtown Gloucester could potentially support somewhere between 266 and 533 additional multi-family units over the next ten years. This is generally consistent with the projections in this HPP, although the high end of the market study estimate exceeds the projected 434 multi-family units. Given preferences for urban living among smaller households, the majority of new units would be in multi-family buildings, either in townhouse or apartment and condominium structures. The report recommended a mix of housing types and sizes (including live/work units) in order to attract downsizing seniors and younger singles and couples, many of whom may wish to access the commuter rail. It is important to note that unlike other nearby downtowns (e.g. Salem, Beverly, Lynn), Downtown Gloucester currently lacks a large number of these unit types, thus the numbers are predicated on new unit creation with amenities attractive to smaller households.

Given the lack of supportive infrastructure in other parts of the city and the assessment of the residential potential for Downtown Gloucester, it is recommended that this area should be the focus for future multi-family development.

According to Walk Score, Gloucester is a place that overall requires a car to run most errands. The aggregated Walk Score for Gloucester is 41 out of 100.⁴² However, over one third of the population lives within the 1.2 square mile downtown area of Gloucester, which receives a 94 Walk Score. Other walkable neighborhoods include East Gloucester and Magnolia. Since 2009, the City replaced or repaired over 13 miles of sidewalks

⁴² <https://www.walkscore.com/MA/Gloucester>

throughout downtown and adjacent neighborhoods (including increased ADA compliance), and added three miles of bike lanes. In April 2016, Gloucester adopted a Complete Streets Policy and developed a Project Prioritization Plan that identifies a number of specific improvements to be made throughout the city.

Besides generally focusing on sites in the downtown area, specific potential sites (as depicted in Figure 33) include:

- YMCA site once Fuller is redeveloped
- Maplewood School
- St. Ann's School site
- Walgreen's shopping center
- Infill opportunities in Downtown Area, both private and City owned
- Housing Authority site - 256 Main St.
- TOD Area around RR Ave.
- Magnolia 2nd floor residential development - properties on Lexington Ave.
- City owned Gloucester Ave Site - 100 Gloucester Ave.
- City owned land near Fuller Site: 11R Essex St., 15R Dodge St., 18R Beckford St., 18 Beckford St., 1 Ledge mont Ave., 14 Beckford St., 1R - 13R Dodge St.

Figure 33: Gloucester Housing Opportunities Sites



Goal5: Review and revise the Zoning Ordinance to remove barriers and create more incentives toward the production of affordable housing.

The City should identify where by-right development of a diverse housing stock can be encouraged in areas that are transit-accessible, including mixed commercial and multifamily housing uses that allows for higher density housing in areas where the infrastructure can support such density.

Strategy 5.1: Consider Where Increased Density is Appropriate and can be Supported

Action Plan

- Identify “opportunity areas” most appropriate for and conducive to residential development, particularly in those area where the existing infrastructure could support such growth
- Consider Transit Orientated Development (TOD) techniques for new development around each mass transit station and along bus routes

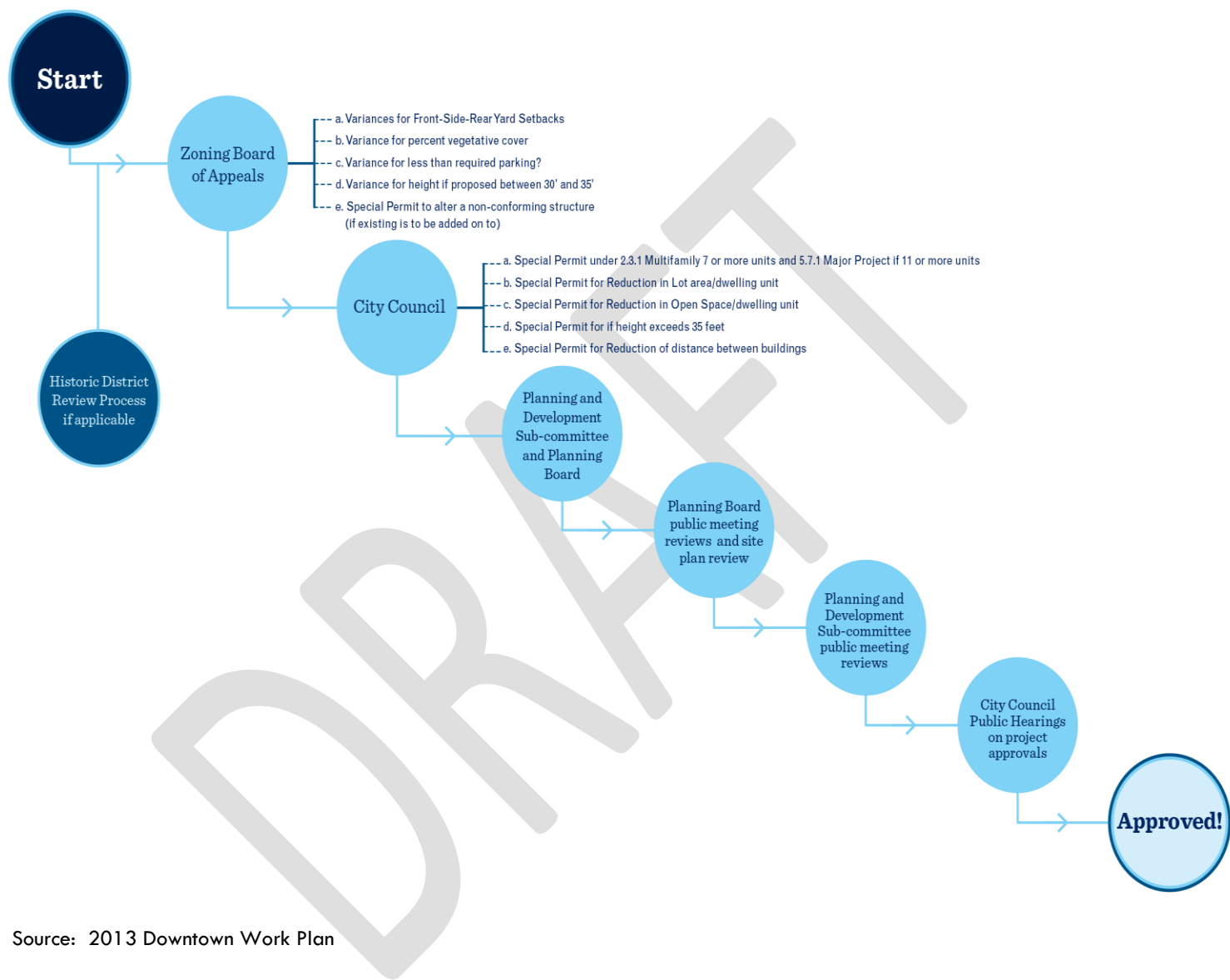
Strategy 5.2: Identify and Minimize Barriers to Housing in the Zoning Ordinance

Action Plan

- Review zoning regulations and explore changes that would encourage redevelopment and infill as a result of the lack of undeveloped residentially zoned land
- Determine where multi-family development may be permitted by-right, such as downtown. Multi-family uses are currently allowed by a City Council special permit. Multi-family development often also requires reviews by additional boards and committees (see Figure 34). The City should consider streamlining this process and assigning one single body for permitting multi-family.
- Determine whether dimensional requirements, including building height, setbacks, and open space per dwelling unit discourage multi-family development
- Determine whether parking requirements discourage multi-family development
- Clarify §2.2.3 regarding mixed-use (and define in the definitions section) to specifically encourage housing as an option in mixed-use structures; identify which districts mixed use may be allowed; and streamline the permitting process
- Consider modifications to the accessory apartment provisions of the ordinance by allowing them by right in certain districts and to allow non-family households to occupy the accessory units
- Explore modifications to the Inclusionary Housing Ordinance to create incentives for the production of more inclusionary units while discouraging payments in lieu of building units. Consider reducing the threshold for triggering inclusionary housing from eight units. Enforce the provisions of the ordinance to ensure actual construction of the required affordable units. Consider an alternative calculation for the payment in lieu of so that it is an amount equal to the required number of affordable housing units multiplied by the median price of a market-rate home comparable in type, size, and number of bedrooms over a period of 18 months prior to the date of application submission.
- Review the formula for how the fee charged in lieu of the construction of ownership and rental dwelling units is calculated
- Review the OSRD procedure in §5.15 to look for ways to streamline the permitting process and make it a more attractive option for developers
- Provide technical assistance to the AHTF on implementation of the Inclusionary Housing Ordinance. The Town of Watertown created a toolkit to assist the Town in implementation of the ordinance and developers in understanding the requirements and procedures (<http://www.watertown-ma.gov/DocumentCenter/View/16717>).

Figure 34 illustrates the current multi-family development permitting process for the CB and downtown neighborhoods as described in the 2013 Downtown Work Plan. The current process to develop multi-family housing and mixed use development in downtown Gloucester is arduous and involves multiple board approvals, including a City Council special permit.

Figure 34: Prototypical Multi-Family and Mixed Use Development Process



Goal 6: Leverage existing funding sources to meet existing and future housing needs.

Given the continued cutbacks to CDBG and HOME funding, the City should leverage AHTF and CPA funds to acquire, create, preserve, and rehabilitate/ restore when applicable low and moderate income housing for

individuals, families, and senior housing. As the fund continues to grow, the City has additional opportunities to create new affordable units or offer financial assistance in addition to the rehabilitation of existing units. Examples of ways in which communities have leveraged CPA funds for affordable housing can be found at the Community Preservation Coalition website (see <http://communitypreservation.org/projectsdatabaseaccess>). Another resource is available through the Massachusetts Housing Partnership (http://www.mhp.net/writable/resources/documents/CPA-guidebook-2016_lowres.pdf). Additionally, the City could consider increasing the CPA percentage allocation that is dedicated to housing to provide additional funding.

Strategy 6.1: Utilize AHTF Money for Construction of New Units and Preservation of Existing Ones

The Trust Fund currently has \$255,000 and is a vital financial resource for the City. The money can be used to construct new housing units as well as preserving existing affordable units directly through rehabilitation. It can also be used to assist homeowners and renters stay in their homes. The Fuller Mixed-use Project, currently in the pre-permitting process, may provide an estimated \$1.5 million of funding for the trust within the next five years, and it is important for the City to develop a plan to expend this funding on affordable housing projects.

Action Plan

- Establish a specific timeline for how the money will be spent and when
- Project and plan for the use of additional funds generated through the program

Strategy 6.2: Utilize CPA Funds for Construction of New Units and Preservation of Existing Ones

In addition to the Trust Fund Gloucester is a Community Preservation Act (CPA) community and can allocate 10% of the annual funds towards affordable housing, which is approximately \$62,000 a year. In addition, the CPA currently has a balance of \$263,000 that can be used for affordable housing.

Action Plan

- Develop a program to utilize CPA funds to leverage the creation and preservation of affordable housing
- Project and plan for the use of reserve funds towards affordable housing projects

Goal 7: Minimize the displacement of lower-income households.

Since many of the City's low-income households reside in rental units, this population is likely to become more vulnerable to displacement as rents increase due to new investment. In order to work towards distributing the benefits of neighborhood change among existing and new residents alike, the City should consider exploring anti-displacement strategies that help retain households and businesses at risk of being priced out of an inflating market.

Strategy 7.1: Preserve Existing Affordable Rental Housing

Rising property values in areas undergoing large-scale investments in transit and other infrastructure can threaten the continued affordability of existing rental homes and lead to property tax increases that make it difficult for low-income homeowners to afford their housing costs. Rising property values can also make it cost-prohibitive to replace newly developed affordable homes lost due to the expiration of affordability restrictions. Local communities can take steps to preserve existing affordable rental homes and create new homeownership and rental opportunities that will remain available to low- and moderate-income households over the long term.

Preservation of existing affordable housing in the City is critical, as well as potentially acquiring or rehabilitating and preserving new affordable housing. HOME funds can be used for these activities – both housing rehabilitation and tenant-based rental assistance. Preservation of units ensures that housing is affordable to low- and moderate-income households by protecting the units in a deed restriction.

Whenever property values rise, there is a danger that owners of properties with federal housing subsidies may choose to opt out of their subsidy contracts upon its expiration and that owners of unsubsidized affordable rentals may raise rents or sell the buildings in preparation for conversion to condominiums or higher-priced housing units. The City should consider adopting a preservation strategy that specifically targets location-efficient areas to help stem the loss of affordable rental homes in strong market neighborhoods, particularly around transit.

Action Plan

- Develop a program to incentivize rental property owners to place deed restrictions on rental units voluntarily
- MAPC has developed a toolkit on Managing Neighborhood Change. See <http://www.mapc.org/neighborhood-change>
- Creating a “preservation catalog” to identify and track subsidized housing near transit stations that is at the highest risk of loss
- Prioritizing the use of Low Income Housing Tax Credits and other funding sources to recapitalize and modernize location-efficient affordable homes
- Consider strategies to address the issue of teardowns that reduces the stock of more moderately sized and priced homes

Goal 8: Promote safe, healthy housing and living.

Strategy 8.1: Connect Homeowners and Renters to Energy Efficiency/Renewable Energy Programs and Incentives

Retrofitting existing residential properties to meet energy efficiency guidelines can greatly reduce household utility bills. The installation of renewable energy sources, such as solar panels, can protect against energy price volatility. There are several state and federal programs that offer technical assistance, subsidies, and complete

financing for renewable energy sources and energy saving home-upgrades. Gloucester already receives funding from HUD through the CDBG, which can be used to support this work among low- and moderate-income households.

Other resources include, but are not limited to: the Massachusetts Utility-Funded Low-Income Multi-Family Energy Retrofit Program, Mass Save Multi-Family Retrofit Program, Massachusetts Residential New Construction Program, the Massachusetts Department of Housing and Community Development's Weatherization Assistance Program, and the Commonwealth Solar Hot Water Program. A complete list of Massachusetts-specific renewable and energy efficiency retrofit incentives can be found on the Database of State Incentives for Renewable and Efficiency (DSIRE) website: <http://dsireusa.org/incentives/homeowner.cfm?state=MA&re=0&ee=0>.

Action Plan

- Publicize energy efficiency benefits and programs that are available for residential utility customers through the City's website and its housing rehabilitation program

Strategy 8.2: Retrofit Public Housing to Meet High Energy Efficiency Standards

As a Green Community, Gloucester is eligible to apply for competitive grant funding for clean energy projects. The City may use such funding to complete energy projects, such as energy retrofits and renewable energy installations, on all municipally-owned property. The City should work with the Gloucester Housing Authority to apply Green Communities funding to public housing. Energy-saving measures that may be eligible for funding and appropriate for these units include upgrades to lighting, HVAC, and landscaping. Additionally, CPA funding can be made available to the Housing Authority for modifications and building updates to improve energy efficiency within each apartment and for the buildings in general, which can help to reduce operating costs.

Action Plan

- Consider making funding available to the Gloucester Housing Authority to implement energy-saving measures

Strategy 8.3: Encourage Property Owners and Residents to Minimize In-Home Exposure to Irritants & Pollutants

Research shows that indoor environmental pollutants such as lead, pests, mold, secondhand smoke, and other irritants can lead to or exacerbate chronic health conditions and impair quality of life. The City can encourage property owners and residents to take steps to mitigate these hazards. For example, property owners can conduct risk assessments and lead abatement; adopt integrated pest management (IPM) techniques to reduce exposure to indoor and outdoor pests; and make use of drainage systems, insulating cold HVAC and plumbing components, or watertight and weather-tight sealing materials to prevent mold. To reduce indoor exposure to secondhand smoke, property owners should adopt smoke-free housing policies that prohibit smoking in the residence and preferably exclude smoking on the premises or, at least limit smoking to a designated outdoor smoking area a minimum of 25 feet away from the building.

The City addresses Lead Based Paint (LBP) hazards through education efforts and housing programs. The City's Health Department is at the forefront of LBP education and also partners with the Massachusetts Department of

Health which has an extensive testing and education program. All housing programs supported by public funding in Gloucester require LBP free construction and rehabilitation.⁴³

Action Plan

- Hold a Smoke-Free Housing Policy Forum with the local housing authority, developers of subsidized private housing, and public health agencies
- Provide developers with weblinks to the following resources:
 - Environmental Protection Agency (EPA) Lead Resources, <http://www2.epa.gov/lead/protect-your-family>
 - MassHousing Get the Lead Out Loan Program, https://www.masshousing.com/portal/server.pt/community/home_owner_loans/228/get_the_lead_out
 - EPA IPM Fact Sheet, <http://www.epa.gov/opp00001/factsheets/ipm.htm>
 - EPA Mold Remediation, http://www.epa.gov/mold/mold_remediation.html or <http://www.epa.gov/mold/index.html>
 - DHCD Guidelines for Smoke-free Housing Policies, <http://www.mass.gov/hed/docs/dhcd/ph/publicnotices/14-08guidelines.pdf>
 - Massachusetts Tobacco Control Program, <http://www.mass.gov/eohhs/gov/departments/dph/programs/mtcp/tobacco-control-prevention-and-cessation.html>
 - <http://www.mass.gov/eohhs/gov/departments/dph/programs/mtcp/tobacco-control-prevention-and-cessation.html>

Strategy 8.4: Site Housing to Reduce Exposure to Outdoor Pollutants

Research shows that housing located on or near brownfields or air pollutants can have harmful impacts on residents. The state offers brownfield program incentives for redevelopment of contaminated property, and there are several techniques to reduce resident exposure to traffic emissions, a major contributor to air pollution. These include the use of high-efficiency particulate air (HEPA) filtration in buildings, urban design that varies building sizes and shapes to promote air circulation, and use of vegetation and/or sound wall barriers.

Conversely, siting housing near open spaces can have some positive attributes. Housing near open space can counteract extreme heat and other climate change related events while also providing important mental health benefits for the residents of Gloucester. The City has an Open Space and Recreation Plan (OSRP) that expires in 2017.

Action Plan

- During review of housing proposals, review selected site for potential proximity to brownfields and high vehicular traffic corridors
- Provide developers with weblinks to the following resources:
 - MassDEP Resources, <http://www.mass.gov/eea/agencies/massdep/cleanup/programs/>

⁴³ Community Development Block Grant Consolidated Plan, City of Gloucester, 2015-2019

- MassDevelopment Brownfield Redevelopment Fund, <http://www.massdevelopment.com/financing/specialty-loan-programs/brownfields-redevelopment-fund/>
- Improving the Health of Near Highway Communities, <http://sites.tufts.edu/cafeh/project-description/improving-the-health-of-near-highway-communities/>
- Encourage developers to use the cluster and OSRP provisions of the zoning ordinance in order to create more housing adjacent to preserved open spaces
- Update the 2011-2017 OSRP and continue to implement strategies from that plan designed to preserve and enhance open spaces as well as expand recreational opportunities for city residents

Strategy 8.5: Continue to Provide Services and Seek New Housing Opportunities to Reduce the Homeless Population

The City of Gloucester is part of the North Shore Continuum of Care, which provides a regional network to assist the homeless and near-homeless with shelter, permanent housing and supportive services. Gloucester has a well-integrated network of service providers that collaborate both locally and regionally. The City's primary homeless and housing providers: the Gloucester Housing Authority, Action, Inc. and Wellspring House, Inc. are each active members of the region's Continuum of Care. They also join other homeless providers, including the Grace Center, on the High Risk Task Force, which has succeeded in increasing the efficiency and effectiveness of service delivery for both providers and homeless clients.

The City of Gloucester will continue to utilize local and federal funds, including CDBG monies to support programs, public facility improvements, and the creation of affordable housing for the homeless, near homeless and non-homeless special needs. Over the next five years, the City remains committed to allocating the maximum allowable percentage of CDBG funds to public services.⁴⁴

Goal 9: Ensure that the City is affirmatively furthering fair housing obligations.

The Community Development Department supports the Gloucester Fair Housing Committee. The purpose of the Committee is to aid the City in its effort to foster a climate in which the individual human dignity and civil rights of all people are respected and where every potential homeowner has access to all housing regardless of race, color, religious creed, national origin, ancestry, age, children, marital status, disability, sexual orientation, public assistance recipient, or gender.

Strategy 9.1: Implement the Regional Fair Housing Policies

The Analysis of Impediments to Fair Housing for Gloucester was completed in 2013. A jurisdiction is affirmatively furthering fair housing when it 1) has a current Analysis of Impediments to Fair Housing Choice, 2) is implementing the recommendations that follow from that analysis, and 3) is documenting its efforts to improve fair housing choice.

⁴⁴ Community Development Block Grant Consolidated Plan, City of Gloucester, 2015-2019

Action Plan

- Work with the North Shore Home Consortium and other public non-profit agencies such as GHA, human service organizations, Council on Aging and other elder service organizations, homeless providers and other special needs providers, to ensure compliance with fair housing laws and policies.

Goal 10: Ensure that staffing and commissions have capacity to implement HPP.

Strategy 10.1: Enhance the capacity of the AHTF

The AHTF is the primary advocate for affordable housing in the City. Currently, the AHTF has approximately \$1.6 million in available funds, with more to come. It is important that the AHTF establish procedures and parameters for how the money will be utilized, and priorities for the types of projects it will fund. The Center for Community Change provides a good resource regarding the creation and operation of a housing trust fund. Defining the key elements of the housing trust fund is critical to an efficient, effective, and responsive program. Information on the development and implementation of housing trust funds can be found at <http://housingtrustfundproject.org/>.

Additionally, the Massachusetts Housing Partnership (MHP) prepared two guidebooks that are helpful in the establishment and operation of an affordable housing trust fund. *Municipal Affordable Housing Trusts* is an updated guidebook on utilizing the local trust to achieve housing goals. (http://www.mhp.net/writable/resources/documents/municipal_affordable_housing_trust_guidebook.pdf).

Municipal Affordable Housing Trust Operations Manual provides guidance on getting started with the trust, as well as legal considerations, sources of revenues, eligible initiatives, and funding projects (http://www.mhp.net/writable/resources/documents/MAHT-Ops-Manual_final.pdf).

Action Plan

- Prepare a strategic plan for the AHTF that identifies its goals and operational parameters
- Establish priorities for the types of projects that can be funded
- Standardize the informational requirements for any proposal brought before the AHTF for funding

Strategy 10.2: Ensure cross-board coordination and alignment on housing activities

Local leadership and continued advocacy are critical ingredients to implementing the community's housing goals. That commitment should be maintained throughout the housing development process, from project concept to completion. Coordination among all relevant City boards, committees and officials engaged in land use and housing policy setting and decision-making is vital in order to ensure that housing strategies are implemented in a way that is compatible with other planning goals.

Action Plan

- Hold all land-use board meetings to discuss implementation of this HPP
- Encourage continued participation of City Councilors in AHTF activities and meetings
- Consider acquiring permitting software to assist in organizing and synchronizing information for City officials, applicants and the public

Strategy 10.3: Continue to Explore Opportunities to Work Collaboratively with Non-profit Housing Developers

There are many opportunities to partner with non-profit housing developers, such as the local Habitat for Humanity affiliates, which may benefit the City. Through the use of AHTF and CPA funds, the City can assist with the purchase of properties at-risk of losing their affordability restrictions, pre-development costs related to affordable housing development, and the cost of construction of affordable housing. The City will continue to work with these private developers to fine-tune proposals to maximize their responsiveness to community interests and to increase affordability to the greatest extent feasible, potentially infusing funding from the CPA, CDBG, HOME or the proposed AHTF where appropriate.

Action Plan

- Engage non-profit developers active in the MAPC region and Gloucester area to assess the potential for developing partnerships

Appendix 1

Participants at the January 27, 2016 public forum were asked to provide input on what the goals for the plan should include and the following comments were offered:

- Provide easier access to more affordable housing
- Understand housing demand by tenure and AMI
- Affordable coastal living to preserve community character
- Manage neighborhood change
- Increase affordable housing for 65+ households
- HPP should focus on 1-person 65+ householders
- Consider transit-oriented development
- Creation of accessory units for “empty nesters”
- Support for solar power to defray housing costs
- Review permitting for large houses and their impact on affordability
 - More, smaller-sized housing units
- Increase affordable assisted living units (senior housing)
- Review of regulatory environment codes that encumber landlords
- Review of neighborhood-level challenges
- Preserve neighborhood character
- Affordable to younger householders
- More amenities in walkable neighborhoods
- Innovate in models for housing production
 - Walkability
 - Co-housing?
 - Amenities
- Middle-Income housing
- Need more affordable housing, keep workforce
- Live in affordable home but real estate taxes are high at over \$4,000
 - Difficulty living in modest home
- What is the financial gap between rent/sale prices?
 - Amount a household can afford to pay
 - How many units are cost-burdened
- Concern with coastal living gentrification and no housing affordability; decline of fishing industry will increase gentrification further
- Need affordable housing for seniors, and single people
 - Many people end up renting rooms
 - Need affordable one bedroom for single workers
 - 45-75 years old
- Change zoning for more multifamily near transit
- Allow empty nesters to create accessory units
 - Allow aging in place

- Waiting list for affordable housing increasing over 25% last five years
- Reduce electric bills through solar panels
- Stop permitting McMansion large homes and create more necessary smaller and affordable units
 - Small, livable, walkable
- Cape Ann senior housing waiting lists are 7-9 years
- Housing occupancy inspections and regulations too onerous on property owners
- Not just affordability city-wide but neighborhood level to allow housing choices and affordability in all types of neighborhoods
- Fuller School site?
- Cohousing for seniors
- Subdivision/rehab of existing stock?
- Easier funding solutions for middle-income
- Communicate HPP to all members to educate about the need and implement the plan and partnerships
- Tax breaks for landlords who provide deed-restricted rental units at a fair-market/affordable rate

At the second public forum held at the City Hall Kyrouz Auditorium on October 26, 2016, participants were asked to identify priorities for both the goals and the strategies that are described in the following sections.

Public Meeting Summaries

The top three priority ranked goals were:

- Goal 4: Review and revise the Zoning Ordinance to remove barriers and create more incentives toward the production of affordable housing.
- Goal 2: Encourage affordable housing development to achieve, exceed and maintain the Chapter 40B 10% goal.
- Goal 7: Minimize the displacement of lower-income households.

The strategies that were identified as priorities include (additional comments noted after the strategy):

- Strategy 4.2: Identify and minimize barriers to housing in the zoning ordinance (address the issue of teardowns)
- Strategy 10.3: Continue to explore opportunities to work collaboratively with non-profit housing developers
- Strategy 8.5: Continue to provide services and seek new housing opportunities to reduce the homeless population
- Strategy 6.1: Utilize AHTF money for construction of new units and preservation of existing ones (increase funding)
- Strategy 4.1: Consider where increased density is appropriate and can be supported
- Strategy 7.1: Preserve existing affordable rental housing (address the issue of teardowns)
- Strategy 1.2: Provide seniors and persons with disabilities with greater housing options in Gloucester (including assisted living)
- Strategy 2.1: Achieve annual housing production goals

- Strategy 3.1: Monitor and preserve existing affordable units

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Appendix 2

Downtown Gloucester Market Study to be added

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